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NEWS SUMMARY

GENERAL

Israel bans UK envoy visit to mayors

The two-day visit to Israel by Foreign Secretary Lord Carrington ended on a sour note last night. Israel refused to let Sir John Leahy, Deputy Permanent Under-Secretary at the Foreign Office, visit two Palestinian mayors on the occupied West Bank. Mr Bassam Shaka and Mr Karim Khalaf are under house arrest.

The refusal was seen as a response to this week's EEC condemnation of Israel's dismissal of the two mayors for allegedly representing the Palestine Liberation Organisation. Earlier story, Page 4

Falklands plan

A formula for a diplomatic solution to the row over the British island of South Georgia was suggested by the head of the Argentine scrapmerchant company which sparked the dispute. Page 3

Paisley 'front'

Members of the Rev. Ian Paisley's paramilitary Third Force will march in Liverpool in May protesting against the Pope's visit, with members of the city's Protestant Reformist Church of which he became head yesterday to head a "front against papalism."

'Inform' call

The Church of Ireland Bishop of Derry and Raphoe called on people with information on terrorists to give it to the police after IRA gunmen in Londonderry shot dead two soldiers from a flat in which they held seven students prisoner. Prior plans approved, Page 8

Ulster blast

Security forces sealed off Red Bridge, Newry, Co Down, after a 600 lb bomb which exploded in a van cut the Belfast-Dublin rail link. The Provisional IRA claimed responsibility.

Damning attack

A damning attack on the Civil Service's management, effectiveness and efficiency was made in a Commons select committee report. Page 5

Sub identified

The foreign submarine under RAF surveillance off the Hebrides was identified by the Royal Navy to be a Victor class hunter-killer from the Soviet Union.

Farm price move

European Commission proposals to raise farm prices by a record 10.3 per cent for the EEC's 8m farmers were rejected by agricultural ministers led by the UK and West Germany. Page 2

Bomber jailed

Social worker Adrian Kenny, 26, of Peckham, South London, was jailed for three years at the Old Bailey for throwing petrol bombs at police in the Brixton riot last year.

Panama change

U.S. jurisdiction over the Panama Canal Zone ended yesterday by treaties which involve total U.S. withdrawal from the canal itself by 1999.

Bullion remands

A London court remanded 15 men in custody till April 7 and 8 on charges concerning VAT payments on gold bullion.

Waste advice

Advice on ways to save money in the National Health Service's activities has been sought by the Government from Sir Derek Rayner.

Cautious

Brazil's President Figueiredo marked the 18th anniversary of military control by pledging that nothing would deter him from building a true democracy.

BUSINESS

Equities and gilts firm; lead weakens

● EQUITIES advanced but closed below their best with less demand than on Wednesday. The FT 30-share index ended 1.6 higher at 570.1. Page 36

● GILTS closed with gains of ½ and more. The FT Government Securities index rose 0.24 to 69.17. Page 36

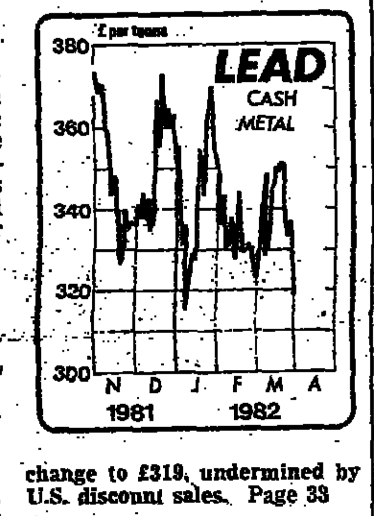
● WALL STREET was 5.14 higher at 827.91 shortly before the close. Page 34

● STERLING rose slightly against the dollar to $1.7865 ($1.782) but eased against most foreign currencies to DM 4.295 (DM 4.3) and Y440 (Y442). It rose to FFr 11.1675 (FFr 11.155) and SwFr 3.4725 (SwFr 3.445). Its trade-weighted index eased to 90.9 (91.0). Page 29

● DOLLAR weakened to DM 2.4025 (DM 2.4125), FFr 6.2525 (Fr 6.26), and Y246.25 (Y248) but rose to SwFr 1.9425 (SwFr 1.9325). Its trade-weighted index slipped to 115.7 (116.1). Page 29

● GOLD rose $6 to $326 in London. Page 29

● CASH LEAD fell £6.75 a tonne on the London Metal Exchange to £319, undermined by U.S. discount sales. Page 33



● U.S. GOVERNMENT, which dropped its protracted anti-trust suit against IBM in January, is supporting the company against a similar charge by the EEC. Back Page

● MASSEY-FERGUSON has told strikers at its Coventry tractor plant more jobs will go unless normal working is resumed. Page 7

● FORD of Britain is willing to spend £44m to modernise its foundry at Dagenham, Essex, if workers accept plans to reduce manning. Back Page

● BL CARS has failed to secure full trade union support for its labour relations reform package. Back Page

● ALLBRITTON Communications has signed a letter of intent to buy the New York Daily News from Tribune Company, of Chicago.

● MANNESMANN, the West German steel pipe group, has won additional orders worth DM 228m (£53m) to supply piping for the Siberia-Europe gas pipeline. Page 4

● SWIRE PACIFIC, of Hong Kong, which owns Cathay Pacific Airways and Swire Properties, raised 1981 attributable profits almost 70 per cent to HK$ 764.5m (£73.4m). Page 32

● AGIP, the Italian state-owned oil company, made a small profit of L5bn (£2.13m) in 1981 against L122bn in 1980. Page 31

● GRATTAN, the mail order group, boosted pre-tax profits in the year to January 31 to £5.22m against £3.11m despite declining sales. Page 24; Lex, Back Page

● LADBROKE GROUP reported 1981 pre-tax profits of £32.8m against £32.6m in 1980. Page 24; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 11¼pc 1985	£94⅞	+ ⅞
Treas 11¾pc 1991	£91½	+ ⅞
Exchq 15pc 1997	£106½	+ ⅞
Akroyd & Smithers	193	+ 13
Assed News	201	+ 11
Babcock Intnl	112	+ 6
Blue Circle	460	+ 10
Bridon	82	+ 8
Carpets Intnl	22	+ 3
Cawoods	270	+ 62
Ferranti	680	+ 15
Glaxo	536	+ 10
Home Charm	169	+ 6
ICI	324	+ 6
Johnson Grp Clnrs	199	+ 10
Legal and General	251	+ 5
LWT A	159	+ 6
Northern Eng	90	+ 4
Oliver (G.) A	188	+ 15
Quest Auto	65	+ 12
Rediffusion	253	+ 13
Sound Diffusion	115	+ 11
Thorn EMI	442	+ 7
Berkeley Ex	285	+ 15
Cambridge Pet	255	+ 30
LASMO	323	+ 13
Anglo American	483	+ 16
Gold Flds of SA	£27½	+ 1¼
Hong Kong Tin	500	+ 50
Kinta Kellas	800	+ 25
FALLS		
Acsis Jewellery	55	− 14
Appleyard	60	− 6
Burgess Products	55	− 7
Distillers	175	− 5
Finlan (J.)	148	− 8
Low and Bonar	118	− 7
Pauls and Whites	210	− 6
NCC Energy	70	− 5
Peko-Wallsend	268	− 8

Jenkins appears set to win leadership of SDP and Alliance

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

MR ROY JENKINS looks set to become the leader of the SDP and of the Alliance with the Liberals—but only after a period of damaging in-fighting over the future shape of the party.

SDP MPs agreed last night to recommend bringing forward the election for the SDP leadership to the early summer. But, while they did not resolve the key question whether the same person should lead both the Alliance and the SDP, it appeared that Mr Jenkins had the support of the great majority of the 29-strong parliamentary committee for both jobs. Dr David Owen and Mrs Shirley Williams seemed to be in a very small minority which argued for a separation of roles.

The meeting also left undecided the question whether Mr Jenkins should be challenged for the leadership. But the clear view of the majority of 24 MPs present was that he should not. It was agreed that there should not be a prolonged public leadership campaign.

Nevertheless, it was evident afterwards that Dr Owen would like to stand or encourage Mrs Williams to do so. He appeared to see the election as a way of putting across his own view that the identity of the SDP should be kept separate from that of the Liberals. It is far from certain, however, whether Dr Owen would win the necessary nominations from SDP MPs to allow him to stand.

Mr Jenkins made it clear that he intended standing for both jobs, and that there was no question of him agreeing to become merely leader of the Alliance.

The atmosphere at the meeting, the first since Mr Jenkins was returned to Westminster, was tense. Mrs Williams and Mr Michael Thomas were repeatedly criticised by other SDP MPs for opening up the controversy over the leadership by publicly calling on Wednesday night for a separation of powers.

Throughout the day, the two sides of the argument lobbied the few "floating" SDP MPs furiously. Tory and Labour MPs were pleased at the sight of the SDP apparently tearing itself apart in an open power struggle.

Behind last night's argument concerning the leadership were fundamental differences over the future shape of the party.

Dr Owen, Mrs Williams and Mr Thomas are concerned that the SDP will become too centrist if Mr Jenkins holds both jobs. There is also a degree of jealousy. Dr Owen, the member of the Gang of Four now leading the SDP at Westminster, stands to lose ground if Mr Jenkins occupies both jobs, as the deputy leader of the Alliance will be Mr David Steel, the Liberal leader.

Last night nobody questioned Mr Jenkins' right to be the leader of the Alliance. Even some MPs who shared Dr Owen's concern about the party moving too far to the right argued against the idea of a contested election.

Despite its position of minority at the meeting, the Owen faction claimed last night that it had stopped the party from accepting Mr Jenkins immediately.

The next stage is for the steering committee to endorse next week the parliamentary party's recommendation for an early election. It has been already arranged that ballot papers go out next week concerning the method of election. Attached to this questionaire will be a further question asking members whether they accept the idea of bringing the election forward. If they do, there will be about two weeks in early June for Dr Owen and Mrs Williams to decide whether they want to challenge Mr Jenkins. The ballot would probably take place in June and the result be declared on July 1.

Co-op Party conference to discuss Labour link, Page 8
Politics Today, Page 23

Cool Moscow response to Reagan arms talks call

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE SOVIET UNION reacted frostily yesterday to an appeal by President Ronald Reagan for a new round of strategic nuclear arms negotiations.

The U.S. President had called at his first prime time televised Press conference on Wednesday night for talks aimed at a "dramatic" reduction in the arsenals of the two superpowers.

But while the allies in Europe applauded the suggestion and particularly the President's hope that the talks could begin in the summer, Moscow Radio condemned the statement as "proving once again that Mr Reagan intends the strategic parity and attain military superiority over the Soviet Union."

Mr Reagan in a reference to Poland, warned, however, that the "international situation" could make a meeting between the superpowers "unseemly" and rejected calls for an immediate "freeze" on nuclear weapons.

This, he said, would be disadvantageous, even dangerous, to the U.S. while the Soviet Union had "a definite margin of superiority" and would remove any incentive for Moscow to negotiate. The Soviet Union's edge was that "they could absorb our retaliatory blow and hit us again," he said.

Mr Reagan, who looked unusually nervous and unsure of himself during his 35-minute appearance, was yesterday admitted to Bethesda Naval Hospital following a recent slight discomfort in the urinary tract.

In a wide-ranging question and answer session at his press conference, Mr Reagan:

● Blamed high interest rates for delaying U.S. economic recovery but said there was little the Federal Reserve Board could do about them.

● Confidently predicted that there would be an economic upturn in the second half of the year.

● Hinted that he might accept a small reduction in his planned 1983 defence budget, provided it would not set back his plans to rebuild the country's forces.

● Warned that installation of Soviet intermediate range missiles in Cuba would be a "total violation" of the superpower agreement that ended the 1962 Cuban missile crisis.

● Said that the U.S. would have "great difficulties" in supporting a new government in El Salvador that totally turned away from the economic and social reforms under way.

Mr Reagan repeated that while he would not be inflexible on his 1983 budget proposals, there would be no retreat on fundamentals and his tax-cutting

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Oil companies act over Nigeria

BY RAY DAFTER AND QUENTIN PEEL

MAJOR international oil companies have served notice that they intend to phase out their purchases of Nigerian crude oil in spite of threats of reprisals from Saudi Arabia and other Gulf producers.

The move, which stems from the industry's concern about Nigeria's oil pricing policies, is likely to maintain the tension between Western oil companies and the Organisation of Petroleum Exporting Countries.

Gulf and the Royal Dutch/Shell Group—two of the leading purchasers of Nigeria's oil—are among those believed to have told the state-owned Nigerian National Petroleum Company that they want to reduce their liftings over the coming months, according to reports in Lagos.

The phase out process means the oil companies are supposed to continue lifting their full contract commitment in April, cutting back progressively in May and June if no agreement on renegotiating the contract is reached, and phasing out completely by July. If they do not lift the full amount, they must pay a penalty of $2 a barrel.

The action is being taken because the companies regard the $35.50 a barrel reference price charged by Nigeria for its oil as too high in current market conditions.

Oil company officials say it is now cheaper to pay the penalty for not lifting than to lose $4.50 a barrel by producing it, because Nigerian crude is that much more expensive than North Sea Oil.

Officials are also sceptical about the possibility of the Nigerian Government offering an increased in their agreed profit maargins—a subject of dispute for the past two years—to encourage them to produce more. Such a move might be interpreted within Opec as a disguised price cut, and anyway would be unlikely to match the loss of $4.50 a barrel.

Saudi Arabia—backed by Kuwait—has warned that it may call a special meeting of Opec to discuss action against oil companies which try to force a Nigerian price reduction. It is thought Nigerian oil sales have fallen as low as 630,000 barrels a day against the 1.3m b/d production quota agreed at the Opec meeting in Vienna, last month.

The board of the Nigerian National Petroleum Corporation met in Lagos last night after several days of talks with the international oil companies. Oil company officials were pessimistic about the prospects of early agreement on either production or prices, however.

According to one Nigerian report the question of a price review as formaly requested by all the major producers, is "not under consideration" by the petroleum corporation.

Mexican nuclear programme may be cancelled, Page 3

UK wins £500m Saudi contract

By Sue Cameron, Chemicals Correspondent

FOSTER WHEELER ENERGY — the British arm of the U.S.-based Foster Wheeler design engineering group — has won a £500m turnkey contract for a petrochemicals project in Saudi Arabia.

This is Foster Wheeler Energy's biggest export contract. It was won in the face of opposition from the U.S.-based Badger group and Technip of France. It has been awarded by Petrokemya, a joint venture by the Saudi Basic Industries Corporation (Sabic) and the U.S.-based Dow Chemical.

The contract covers the overall management, engineering, procurement and construction of a petrochemicals complex at Al Jubail on the Saudi east coast.

The project includes a 500,000 tonnes a year ethylene plant — ethylene is the building block of the petrochemical industry — and a 180,000 tonnes a year plant to produce linear, low-density, polyethylene plastics.

Last night Foster Wheeler Energy said the award of the contract meant about £200m worth of equipment and material subcontracts would be "up for grabs." It stressed that tenders would be invited on a worldwide basis.

The group said: "This is a great opportunity for British industry." It held the technical capability of UK companies in very high regard. "But they will have to be able to compete on price, performance and delivery. If foreign concerns prove better and cheaper, they will be given the business."

The Al Jubail project is due for completion in 1985-86.

About 50 per cent of the ethylene produced will be taken by the Sharq group—a joint venture by SABIC and a Mitsubishi-led Japanese consortium. Sharq will use it to make such products as ethylene glycol, which goes into the manufacture of a range of goods, including anti-freeze and fibres.

Petrokemya will take half the ethylene glycol production under a general co-operation agreement.

£ in New York	Mar. 31	previous
Spot	$1.7835-7850	$1.7810-7825
1 month	0.21-0.26 pm	0.23-0.28 pm
3 months	0.82-0.87 pm	0.91-0.96 pm
12 months	2.75-2.85 pm	2.95-3.05 pm

Heathrow Airport baggage handlers call off dispute

BY BRIAN GROOM, LABOUR STAFF

THE SEVEN-WEEK dispute involving 1,700 British Airways ramp workers who handle baggage at London Heathrow Airport, collapsed yesterday. With it went the final barrier to completion of the reorganisation and redundancies in the airline's plan to save itself.

A meeting of 1,000 of the baggage handlers at Hanworth Air Park, near the airport, voted by a majority of about 2-1—and with some bitterness—to return to work.

Some of the workers started to drift back late last night, to work alongside volunteers who have helped British Airways inflict the defeat. Talks on an orderly return to work by the rest will take place today, but the volunteers may not be phased out until early next week.

The ramp workers, who said they were locked out at the start of the dispute, will accept the new rosters and working practices which BA insisted it needed to implement 300 redundancies. The workers affected have already left.

Mr Mike le Cornu, the workers' spokesman and a senior steward, told them to return without bitterness after the vote. He said they need not feel ashamed.

Some workers, however, felt betrayed by "blacklegs"—including some from their own Transport and General Workers' Union—and by other workers who spurned appeals to support them.

The final blow was a refusal by nearly all the TGWU's other 28,000 workers at Heathrow to answer a call for a all-out sympathy strike, made at a mass meeting on Tuesday. On Wednesday fewer than 1,000 workers responded.

Mr Ron Todd, the TGWU national organiser, told the workers they were defeated, not by BA management, but by the refusal of fellow workers to support them.

The TGWU, which made the dispute official in its first week, was unable to make its Heathrow members obey instructions not to cross picket lines and not work with blackleg labour.

Ramp workers said after the meeting yesterday that they were the victims of BA propaganda and a hostile press. One said the unions were "finished," and one said there would never be a strike at British Airways again, so humiliating had the affair been.

Mr Todd said he would rather have hung on for another meeting of the National Joint Council for Civil Air Transport, in the hope that all the Heathrow unions would implement their threat of industrial action over the blacklegging.

The dispute cost British Airways, which continued to run full services yesterday and restored normal catering on aircraft, up to £7m at a rough estimate.

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Union routed in airport dispute, Page 7

Amax pays MacGregor double his BSC salary

BY RICHARD LAMBERT

MR IAN MACGREGOR, chairman of the British Steel Corporation, received remuneration of more than $180,000 (£100,750) last year—more than double his BSC salary—from Amax, the big U.S. mining group of which he is a non-executive director.

Mr MacGregor, the terms of whose appointment to British Steel caused a political furore in 1980, has various consulting agreements with Amax, of which he is a former chairman. Under one of them he is paid at an annual rate of just under $100,000 for services which "shall occupy at least one-quarter but not in excess of one-third of his business time."

He has another consulting agreement running to October 1987, by which he receives $25,000 a year for services which shall not "interfere unduly" with any other employment he may have undertaken. This arrangement is conditional on his "refraining from competing" with the company.

In addition he will receive until September this year a monthly sum of $3,750 from Alumax, a 50 per cent owned affiliate of Amax.

Outside directors of Amax also receive regular fees of $16,000 a year, plus $800 for each meeting they attend.

Proxy material issued in connection with the company's forthcoming annual meeting shows that other distinguished outside directors, including former U.S. president Gerald Ford, also receive large consulting fees.

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CONTENTS

Community ministers reject farm price compromise

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Commission yesterday proposed that guaranteed EEC farm prices should rise by a record 10.3 per cent in a compromise immediately rejected by the majority of the Ten's agriculture ministers.

As in previous years, the attack was led by Britain and West Germany, the two net contributors to the EEC budget. Both Mr Peter Walker, the British minister, and Herr Josef Ertl, his West German counterpart, described the package as unbalanced and unacceptable. On the other hand, the French, Italians, Greeks and Irish are still seeking a higher general increase.

The Commission proposed price rises of between one and two points for most major commodities above its originally proposed standard 9 per cent increase, including a 1.5 point rise in the controversial dairy sector, which accounts for about 30 per cent of EEC agriculture spending. Officials said preliminary estimates indicated that the additional cost of the package would be more than £350m, or about £83.5m above its first proposals.

According to officials, Mr Walker's remarks in the Council of Ministers were "extremely radical" in their opposition to the new proposals.

Earlier, he publicly refrained from condemning outright the overall level of the proposed increases but said he found it "extraordinary" that the Commission could propose higher increases for products that were in serious surplus, such as milk and wine.

Nevertheless, the spirit of this year's talks has not degenerated—at least not yet—into the bitter exchanges that have usually marked the annual price fixing marathons. The Ministers are not facing an immediate deadline, however.

Britain has said it will block any final agreement until its EEC budget dispute is settled, the next chance for which is the special meeting of EEC foreign ministers in Luxembourg tomorrow. The agriculture ministers are still aiming at broad agreement if only tacitly in the hope that a package could be quickly ratified if tomorrow's meeting is successful.

It is still the conventional wisdom in Brussels that if Britain achieves an acceptable limit for its budgetary payments, an agriculture pact could follow relatively quickly. If this proves true, a record price award would become a virtual certainty—going a long way to meeting EEC farmers' top demand of the 16.3 per cent rise. Never at a single previous price fixing has a general award reached 10 per cent.

This is not to say, however, that there are no outstanding agriculture issues that could still disrupt the talks.

Two potentially serious rows were brewing last night. One was over proposals for the treatment of wine and other southern produce in anticipation of the expected EEC membership of Spain and Portugal. The other was on proposals asking for changes in the EEC agri-monetary system that would reduce any price award for Britain, West Germany and the Netherlands.

France, supported by Italy, is insisting that the full question of the Mediterranean arrangements be tackled as an integral part of this price fixing. Many other countries would like this issue to be taken up at a later date.

Britain, West Germany and the Netherlands are still adamant that they will not accept revaluations in their "green" currencies which, as proposed, would mean a reduction in any eventual price award for their farmers by 2.5, 4 and 3 per cent respectively.

David White adds from Paris: M Pierre Mauroy, the French Prime Minister, said yesterday that he currently saw no solution to the problem of Britain's EEC budget contribution.

"I hope that we can find a solution but for the moment I don't see one," he told a luncheon meeting of the Anglo-American Press Association here. The problem was "grave" and "fundamental," he said, and called into question the principles on which the Community was built.

"We are asked to find a settlement that goes against 20 years of Europe."

Warsaw insists Comecon can fill Western gap

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities are insisting that growth in the country's trade with its Comecon partners can overcome the present crisis, in spite of evidence provided by experts that imports from the West must continue if an economic catastrophe is to be avoided.

The Government's top economic committee yesterday reiterated its defiant stance in the face of Western credit restrictions and said that growth in Poland's Comecon trade "has decisive importance in overcoming the present economic difficulties."

The lack of Western credits following the imposition of martial law last December has meant that hard currency imports have fallen by half so far this year compared to 1981. While hoping that the Western stance will ease and that credit talks will begin after the signing next Tuesday of the agreement rescheduling last year's bank debt, the authorities are insisting that the difference can be made up by Poland's Comecon partners.

Meanwhile, a detailed report analysing the country's imports in 1980 and 1981 of components, raw materials spare parts and machinery, prepared for the Government by the Foreign Trade Ministry's research institute, comes to the conclusion that Poland's freedom of manoeuvre is very limited.

Figures from the report show that last year, some 8.5 per cent of the value of imports could have been switched from hard currency countries to Comecon. The comparable figure for 1980 was 15 per cent, when last year's credit squeeze had not yet hit the economy.

The report also suggests that Comecon as a whole will have to maintain or even increase present trade levels with the West if growth rates are to be maintained over the present decade. Growth rates are likely to fall, however, if trade between the Comecon countries themselves rises faster than trade with the rest of the world.

Only the Soviet Union's economy, with its supplies of raw materials to Eastern Europe, is complementary to the rest of Comecon, while the opposite is true of the other countries. However, even the Soviet Union is increasingly reluctant to supply raw materials and to tolerate a deficit in trade with Poland.

This year, the Polish deficit will be around Roubles 1.1bn. Last year, Moscow agreed to a Rouble 1.6bn deficit. Polish exports to the Soviet Union this year are forecast to rise by 13.3 per cent, while imports are to fall by 2.3 per cent.

Poland's hard coal miners, meanwhile, have finished the first quarter of the year with a production figure of 47.4m tonnes, 15 per cent up on last year. The published figures indicate 6m tonnes have been set aside for export but do not reveal how much has actually been sold abroad. The mines are militarised and compulsory Saturday working is in force in contrast to 1981 when Saturday working was voluntary.

However, the miners are well paid and employment has risen. In addition, the industry spent the whole of last year putting in machinery and opening up new coal faces which would give an increase in production despite the five-day week demanded by the Solidarity union. Now the martial law authorities are reaping the effects of this investment.

John Wyles in Brussels sets out the reasons for the long-running quarrel over Britain's EEC contributions

Why the French rejected the budget proposals

THERE ARE three simple questions which EEC foreign ministers must begin to answer in Luxembourg tomorrow before there is any prospect of an end to the long-running row over Britain's budget payments to the Community.

First, how much of Britain's annual net payment to the Community should be returned to it as a special rebate? Second, over how many years should these rebates be paid? And, third, how do the other member states divide up the cost of paying the UK its rebates?

Unfortunately for Britain, simple questions rarely attract simple answers in the Community. The problem is not only complicated by the fact that every single European currency unit (Ecu) passed back to London represents an unwelcome extra cost for other member states, but also by the strange web of prejudice and ideology France has wrapped around its reluctance to dig deeply into its pocket to help the UK.

President Mitterrand indicated last November that he is not opposed to building on the temporary agreement of May 1980 by continuing to pay rebates to the UK for another two or three years. But he apparently rejects any system which implies that the UK or any other member state has a right to special payments purely because it is such a large net contributor and relatively poor in comparison with the EEC's average per capita domestic product. The fact that Portugal and Spain may find themselves in similar situations after they join the Community cannot have gone unnoticed in Paris.

The celebrated Thorn-Tindemans proposals, which the President has rejected as a basis for discussion in Luxembourg tomorrow, attempted to offer France and other members the opportunity to negotiate an apparently short-term, financially ungenerous arrangement, and the precise opposite to the UK.

The detailed French objections to it are still unknown. After careful scrutiny, however, Paris may have found it indigestible on the grounds that it held out the prospect of a five-year deal for the UK and employed criteria, such as relative wealth, in assessing how much money should be returned to Mrs Thatcher.

Despite the French attitude, the compromise plan is still worth careful examination because the final agreement, whenever it is made, will almost certainly incorporate some of its elements. It is, however, an extraordinarily elaborate affair when measured against the most obvious and simple approach to the problem: an attempt to negotiate an agreement that the UK's annual net payments should be cut by a certain percentage. For example, the UK is expected to transfer around £1bn (£1.8bn Ecu) more to Brussels this year than it will get back through Community policies. Why not try to agree that a certain per cent will be returned as special payments?

This answer is that this reeks too much of a bookkeeper's approach to EEC membership which offends French and other "beliefs" that budget balances, be they positive or negative, are an accident of history. Since all but enjoy positive balances, it is tempting to observe that the other members would tend to believe this.

The Thorn-Tindemans plan nodded in the French direction by proposing that the Ten agree on a uniform fixed rebate to the UK from 1982 to 1984 inclusive. Against this it recognised that actual budget balances are hard to forecast and that what might seem sufficient in 1982 may actually be too much or too little for 1984.

THE THORN-TINDEMANNS FORMULA

- **Fix a uniform rebate for the UK for 1982-83-84.**
- **Measure the rebate as a proportion of the 1.373bn Ecu "objective indicator" receipts in 1981.**
- **If necessary, correct the rebate to keep it within 10 per cent of this proportion of each year's objective indicator. Decision to be taken by qualified majority.**
- **Top up the rebate if the UK's share of all member states' VAT payments is higher than its share of Community GDP.**
- **Leave size of 1985-86 rebates to be agreed unanimously by the Council of Ministers by the end of 1984.**

Mr Leo Tindemans (left) is Belgian Foreign Minister and president of the EEC Council of Ministers.

Mr Gaston Thorn (right) is president of the European Commission.

As a result, it proposed an "objective indicator"—an idea which had seemed broadly acceptable to Ministers at the end of January—against which to judge whether the rebate was adequate. By its nature, the indicator acknowledges that Britain's receipts from the EEC budget should be more closely in line with its relative prosperity as measured by its share of Community gross domestic product.

It would work in the following way:

Suppose the Ten agreed on a fixed rebate of 1bn Ecu a year for three years. This would be measured against the objective indicator of 1.373bn Ecu which would have been needed in 1981 to make Britain's share of total EEC spending (11.8 per cent) equal to its 20.4 per cent share of Community GDP.

The 1bn Ecu equals 73 per cent of the indicator and this percentage then becomes the standard against which to measure the adequacy of the rebate in each of the proposed three years. If the proportion varied by more than 10 per cent then the Ten would agree a correction on the basis of a majority vote.

The UK is not averse to the idea of an objective indicator as a means of adjusting its rebates as and when necessary. But it wants the adjustment to be automatic rather than risk annually haggling over negotiations.

The UK also wants yet another mechanism to ensure that its rebates are sufficiently large. Fluctuations in the exchange rate can affect both the size of British contributions to Brussels and the calculation of its GDP share. Thus, in 1982, the objective indicator sum needed to bring its receipts into line with GDP share is 1,100m Ecu. This is less than the 1981 figure because the gap between receipts and GDP is smaller, partly as a result of weaker sterling.

Under the compromise, and staying with the example outlined above, the 1bn Ecu rebate would be scaled down to 803m Ecu so as to continue to be 73 per cent of the objective indicator.

The UK would still be left paying Brussels about 1bn Ecu in 1982, compared with 138m Ecu it actually paid in 1981 under the current temporary arrangement.

To narrow this gap, the British want to add a "bonus" to the rebate reflecting the fact that their share of all member states' payments into the budget is higher than the UK's GDP share. In 1982 the difference between the contributions share and the GDP share could be around 4 per centage points which, if fully reimbursed, would yield another 700m Ecu.

The compromise plan prefers to measure the difference between GDP and Britain's share of VAT payments rather than by VAT plus customs duties and agricultural levies as under the British approach. London believes that the VAT alternative is too ungenerous.

Mrs Thatcher repeated this week she wants to be only a "modest" net contributor to the EEC budget, but she has also made it clear that she will not accept the Thorn-Tindemans formula for 1985-86, which leaves the rebates for these two years to be agreed unanimously by the end of 1984. This would be too close to the next British general election for her comfort.

Financial embargoes urged against East bloc

BY OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Parliament will be asked shortly to endorse a politically sensitive report insisting that the EEC should have nothing to do with economic sanctions, but implying that selective financial embargoes against the Eastern bloc could be effective.

A favourable Parliamentary vote could put fresh heart into U.S. efforts to persuade the EEC, Japan and Canada to cut the flow of trade credits to Eastern Europe and the Soviet Union.

The report by the Parliament's external economic relations committee asserts that the U.S. and the Community are "particularly well-placed to enforce measures of this kind."

Written by Herr Hans Joachim Seeler, the West German Socialist, the report and its draft resolution are unequivocally opposed to general economic sanctions, arguing that they are unenforceable.

To support its argument, the committee has produced a study of a variety of post-war sanctions from the 1963-1966 embargo on the export of steel pipes to the Soviet Union, to sanctions against Rhodesia and Iran and the West's attempt to limit high technology exports to the Soviet Union.

Sir Frederick Catherwood, the committee's chairman, claimed in Brussels yesterday that "we have found out that sanctions against Iran did not work and generally do not work." Moreover, the restrictions the West has placed on Poland following the imposition of martial law could have the unintended effect of making Poland 100 per cent dependent on the Soviet Union, he added.

Herr Seeler argues that sanctions have "practically never" succeeded in forcing a political opponent to take or refrain from taking a certain action.

The reasons include too long a delay between the decision to impose sanctions and their coming into force; lack of co-operation and solidarity between those countries operating sanctions and a failure to share burdens equally between them.

They also include strong opposition from businessmen, who find ways of sidestepping sanctions; the lack of an adequate means of policing the measures and, crucially, the fact that the target country is insufficiently dependent on the imports it is being denied.

If, however, the target country is heavily dependent on the imports under embargo and if the countries operating the embargo have a virtual monopoly of the products and can act in concert, then the policy would have a chance of being effective, says the report.

West German opposition attacks policy on detente

BY JONATHAN CARR IN BONN

THE WEST GERMAN opposition has launched a strong attack on the government's latest policy statement on security and detente, saying a clash with the U.S. is certain unless Bonn quickly revises its stand.

A statement from the Christian Democrat - Christian Socialist Union (CDU-CSU) parties also accused Chancellor Helmut Schmidt's Social Democrats (SPD) of being "the greatest factor of uncertainty in the Western alliance."

The declaration marks a further intensification of the opposition's drive to force Herr Schmidt's sorely-strained left-Liberal coalition on the defensive in foreign as well as domestic affairs.

In particular, senior opposition leaders have sought to portray the CDU-CSU as the key political force for close ties with the U.S., and have announced a demonstration in support of President Ronald Reagan during his visit to Bonn for the Nato summit conference in June.

In its policy statement, the government underlines that both East-West detente and preservation of a military balance are key elements of Nato policy, and makes clear it wants to see both points endorsed by the Nato summit.

The 14-point statement, given to the cabinet by Herr Schmidt on Wednesday and officially made public yesterday, urges that East-West economic co-operation continues and says there must be no return to the Cold War.

The government stresses that this "double strategy" has, in effect, been alliance policy at least since the "Harmel report" of M. Pierre Harmel, the former Belgian Foreign Minister, was adopted by Nato in 1967.

Settlement hopes recede in public sector pay talks

BY JAMES BUCHAN IN BONN

HOPES OF an early settlement in the West German public-sector wage negotiations were receding yesterday after a third round of talks between the Government and the country's second most powerful union ended in stalemate on Wednesday night.

The negotiations, involving the Government and the trade union representing 2.6m workers in public services and transport, are now expected to go to arbitration during the statutory period of 24 working days.

Both sides are held to be sticking to "maximum" positions. Last month, the union battled successfully at provincial level against the Government's demand for an almost 1 per cent cut in the salaries of all public-sector employees.

From this position of relative strength, Herr Heinz Kluncker, the union leader, is standing by his demand at national level for a 6.5 per cent increase—well above the 4.2-4.5 per cent achieved by IG Metall, the country's largest union.

The Government is sticking by its original offer of 2 per cent, and also to the principle of the 1 per cent cut. Although arbitration is not binding, the result of the metal industry negotiations and subsequent settlements around the same level will put pressure on the union to accept the arbitration recommendations.

Civilian gives no ground in Spanish trial

By Tom Burns in Madrid

SPANIARDS were no closer yesterday to learning whether there was civilian backing for last year's abortive army coup after the sole civilian on trial with 32 officers stonewalled prosecution questioning at the court martial.

Sr Juan Garcia Carres, a former deputy in the parliament of the Franco regime, rejected prosecution attempts to prove he was the link between Civil Guard Colonel Antonio Tejero and army units in the Valencia region.

A close associate of extreme right-wing leaders Sr Jose Antonio Geron, who heads the Francoist War Veterans Association, and of Sr Blas Pinar, leader of the New Force Party, his testimony had been awaited as a possible pointer to a wider conspiracy that could include prominent members of the former regime.

Unions' disarray puts Italian strike in doubt

BY RUPERT CORNWELL IN ROME

AS MANY as 14m workers in industry, agriculture and public services may take part in a two-hour general strike today, which paradoxically may only serve to highlight the disarray within Italy's labour movement.

The three main unions—*CGIL, CISL and UIL—only* decided on the stoppage after two days of heated discussions between supporters of much tougher action and those who maintained that a strike was pointless in the country's current economic circumstances.

As a result, rather longer action is likely in some parts of the country, while employees in other companies may spurn the strike call altogether on the grounds that a two-hour stoppage is pointlessly short.

The background to the protest is the virtual breakdown of talks with industry and the Government on means of containing labour costs this year. The unions claim that the five-party coalition, headed by Sig Giovanni Spadolini, has done nothing to boost investment and ease unemployment, now running at around 10 per cent

Beyond that, however, they are deeply divided. The Communist majority of CGIL, Italy's biggest union, and the CISL, favoured much tougher action. But the Socialist-led UIL and the Socialist minority of the CGIL argued that the Government had offered enough in terms of public sector tariff controls and tax concessions to justify a continuation of talks.

The argument in part reflects the rift between the Socialists, whose party plays a key role in the Government, and the Communists, who are showing every sign of stiffening their opposition to the Spadolini administration. More important, however, it stems from growing anxiety about the split which has developed between a union leadership still broadly moderate and a rank-and-file whose mood is increasingly impatient and frustrated.

The tensions spilled over last weekend at a rally in Rome of 200,000 metalworkers, demanding an immediate change in government policy, to favour the creation of new jobs.

Sig Giorgio Benvenuto, the Socialist leader of UIL, was almost shouted down by an angry audience as he attempted to argue for continuing moderation. Although fellow union leaders have deplored the incident, it has underlined the difficulties within the unions on agreeing new wage contract platforms this year, especially since, among employers also, hardliners are in the ascendant.

POPE JOHN PAUL yesterday insisted that the prime purpose of his trip to Britain at the end of next month was religious, to help towards Christian unity. It was, he said, a pastoral visit to the country's Roman Catholic community, writes Rupert Cornwell.

The Pope's words, at the ceremony marking the formal installation of Britain's first ever ambassador to the Holy See, are clearly intended to emphasise the non-political nature of the visit, which has been arousing increasing sectarian protest among Protestant extremists.

He told Sir Mark Heath, the ambassador, that the presentation of his credentials marked a historic moment in relations between Britain and the Holy See. He expressed his "joy" at the visit, during which he will meet the Queen and hold private talks with the Archbishop of Canterbury and other British Christian leaders.

Pressure on French franc again

By David Housego in Paris

THE FRENCH FRANC came under renewed pressure on the foreign exchange markets yesterday after a brief respite since the week-end.

It fell during the day to a new record low against the U.S. dollar of FFr 6.2935, 5 centimes down on yesterday. The franc strengthened during the afternoon but still ended the day at FFr 6.278 in Paris, or below its previous record on March 23.

Against the D-Mark, the franc also weakened from FFr 2.5877 on Wednesday to FFr 2.6075 or close to its ceiling within the EMS. It also weakened against most other European currencies.

Dealers attributed the fresh burst of speculation to cautionary selling of the franc against the possibility of a realignment within the EMS at the week-end. Part of the continuing pressure on the franc has been due to the belief that the French might favour a devaluation after the current meeting of European Agriculture Ministers in Brussels as a way of further topping up farmers' incomes.

M Pierre Mauroy, the Prime Minister, sought to scotch any rumours of a realignment when he spoke yesterday to British and U.S. journalists at a Press lunch.

He said that France would take "every measure" to avoid a devaluation of the franc within the EMS or a withdrawal from the system. "I hope, and I am even persuaded, that we will not have problems of this kind," he said.

Yen support, Page 4

Bonn concerned at rising costs of nuclear project

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN Government is concerned that the costs of the country's high temperature advanced nuclear reactor development project are again threatening to run out of control.

Herr Andreas von Buelow, the Research Minister, has written to both the builders of the 300 MW prototype reactor, a group led by Brown Boveri, and to the future operators, a consortium of the country's leading electricity utilities, to express his anxiety about further delays.

He has called for a full report by the middle of the *month* and has pointed out that there are no additional funds available in the ministry's medium-term financial plans to plug any new holes in the project's funding.

Construction of the high temperature reactor was begun in 1973 and was originally due to have been completed in 1977 at a price of only DM 673m (£156m).

It has run into long delays, however, partly as a result of changes in both design and regulations imposed by the country's nuclear licensing authorities. Previous estimates have suggested the plant would be finished by the end of 1983 at a cost of around DM 3bn (£697m).

Reports from the nuclear industry now indicate that the project could be delayed by as much as another 13 months, further increasing costs by as much as DM 700m (£162m).

At present the Research Ministry is bearing DM 1.7bn of the costs with a further DM 300m coming from the state of North-Rhine Westphalia. The rest of the financing is coming in the form of credits (DM 510m), contributions from the building group of DM 130m and from the operators of DM 90m and DM 270m in the form of investment grants.

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Economic divisions threaten Dutch three-party coalition

BY CHARLES BATCHELOR IN AMSTERDAM

A DISAGREEMENT over the size of public spending cuts could threaten the stability of the Netherlands' three-party coalition.

The five ministers most closely involved come together again today in advance of the regular weekly cabinet meeting in the hope of reaching a compromise.

The spring budget amendments are usually presented to Parliament in March but differences between the three parties involved and the provincial elections held on March 24 have led to delays. Despite the poor showing of Labour Party candidates in the elections, there is no sign of a breakthrough in *the stalemate over spending* cuts.

The Labour Party wants to limit the cuts to Fl 2bn (£420m) this year, though it is prepared to lop more off spending in 1983. Democrats '66, the smallest of the three government parties, is willing to cut Fl 3bn (£630m), while the Christian Democrats want to cut Fl 4.5bn

Prime Minister Dries van Agt, the leader of the Christian Democrats, warned earlier this week that the Government's budget deficit threatened to rise further this year to more than *8 per cent of gross domestic* product. When direct capital market borrowing for certain programmes raised "outside" the real deficit is nearer 10 per cent, he said.

The setback suffered by the Labour Party in the provincial elections—its share of the vote fell to 22 per cent compared with 28 per cent in last year's general election—was expected to weaken the party's position in government. But leading Labour politicians have since said this will make no difference to the party's attitudes in *cabinet and that the party must* continue to pursue recognisably progressive policies.

Meetings between the ministers involved in the economic debate and their parliamentary parties on Wednesday showed the unwillingness on the part of MPs to compromise.

The issue of spending cuts is the first important test for the Government, in which Labour, the "progressive liberal" Democrats '66 and the more conservative Christian Democratic Party sit uneasily together. Labour places a high priority on *the ned to create jobs and maintain* the incomes of the lower-paid, while the Christian Democrats argue that spending cuts are essential to stimulate the private sector.

The success of the right-of-centre Liberal Party in last week's elections has prompted speculations that Mr van Agt might engineer the fall of this cabinet to resume his earlier coalition with the Liberals.

Mexican nuclear programme may be cancelled

BY WILLIAM CHISLETT IN MEXICO CITY

THE MEXICAN Government is considering cancelling or postponing its ambitious nuclear programme, worth more than $30bn (£16.6bn) at current prices, because of the country's economic difficulties.

A senior government official said it would be "suicide" for the country to go ahead with the programme to install 20,000 MW of nuclear capacity by the year 2000 when the country has "lots of cheap oil" and is wrestling to cut expenditure.

Mexico is tightening its belt following February's floating of the peso which effectively saw its value fall by 40 per cent.

Seven companies from five countries, including General Electric of the U.S. and Atomic Energy of Canada, submitted tenders in February—before the peso was floated—to build a 2,300 MW plant, the first stage of the programme. They were to submit their financing arrangements later in the year.

The official said that the companies had not yet been told of the programme delay as it would be up to the next Government to take that decision.

Sr Miguel de la Madrid, presidential candidate of the long-ruling Institutional Revolutionary Party, will take office for a six-year term in December. The outgoing Government of President Jose Lopez Portillo will present him with a study based on the companies' bids.

Sr de la Madrid supported the idea o fthe nuclear programme last September after he became the candidate for the official party.

But events have changed sharply since then. Apart from the high financial cost, officials said there was now a greater awareness that there was no urgency for Mexico to implement the plan because of its oil wealth.

Mexico's current proven hydrocarbon reserves of 72bn barrels are sufficient to meet present needs for at least 60 years.

High technology groups in U.S. discuss joint venture

BY OUR NEW YORK CORRESPONDENT

FIFTEEN LEADING U.S. computer and semiconductor companies met in Denver, Colorado, yesterday to discuss the financing, siting and staffing of a proposed joint research and development venture similar to high technology collectives in Japan.

Proposals for broad collaboration between U.S. high technology companies in research and development to place them on a stronger competitive footing against Japan were first made at a meeting in Orlando, Florida, in February.

The meeting yesterday in Denver was attended by Control Data, National Semiconductor, Harris Corporation, Honeywell, Burroughs, NCR, Sperry Univac, Motorola, Rockwell and Digital Equipment.

The initiative to discuss the setting-up of a joint research and development venture between companies that spend *more than $1bn between them* and R and D each year was taken by Control Data.

The proposal has apparently made important progress. The companies appear to be putting the *emphasis* on a long term response to Japanese competition rather than setting up a venture to offer short term solu*tions to the immediate* problems of the U.S. semiconductor and computer industry.

The joint venture will not involve any manufacturing or marketing but will address *specific R and D projects.* The companies already appear to have agreed on the main elements of such projects including computer aided design technology, computer testing technologies, development of extremely high density logic, packaging technologies and software technologies.

The emphasis thus also seems directed not only to the future office automation market but to the factory automation market which is expected to grow into a $29bn business in the U.S. by 1991.

Although such a venture could raise anti-trust issues, the sponsors claim they have so far received encouragement from the Government, especially the Defence and Commerce Departments.

Other leading U.S. high technology companies are also understood to have expressed interest in joining the venture. But IBM, the dominant computer company, declined to take part in the discussions.

California 'bullet train' project

By Paul Betts in New York

THE ONCE glorious U.S. railways, which the car and the aeroplane sent into decay, appear to be on the brink of a grand revival.

The U.S. is considering *Japanese-style "bullet trains"* for high-speed rail links to compete against air travel in *California and eventually* in Florida, Texas and the Chicago area.

A group of private investors **called the American High Speed Rail Corporation is working with Amtrak, the U.S. Government - backed national railway, and talking to the Japanese about building a 127-mile high-speed rail service between Los Angeles and San Diego in California.**

The investors and Armtrak announced in New York this week they had formed the corporation to raise $2bn (£1.1bn) to build the country's first bullet train service in *California. About a quarter* of the $2bn is expected to come from Japan.

The sponsors claim bullet trains have been highly profitable in Japan and this should encourage private financing for the initial U.S. project. The idea is for the corporation to be entirely privately owned, with Amtrak holding no equity but entering as a commercial partner offering its services to the venture.

Mr Alan Boyd, chairman of Amtrak, disclosed that the *corporation had already been* given a $5m grant by Mr Ryoichi Sesakawa, a Japanese *industrialist, to finance a pre*liminary engineering study by Japanese engineers.

Amtrak has also advanced a **$750,000 loan to the corporation to prepare a marketing *study for the venture.* The company has already spent about $2m on studies of the high-speed link between San Diego and Los Angeles.**

The plans are for 100 trains a day to operate this line, travelling at about 160 miles an hour. The journey would take just under an hour, compared with two hours 40 min by the existing express rail service. It would cost more than the ordinary rail service, but less than travelling by air.

N-plant measure

A U.S. Senate committee has approved a Bill requiring utility companies with operating nuclear reactors to pay for the $1.5bn (£833m) clean-up of the damaged Three Mile Island nuclear plant, AP *reports from Washington.* The measure will create a $750m insurance pool in case of future nuclear accidents.

Richard Lambert in New York reports on the sudden downturn in the tube market

End of bonanza for U.S. steel importers

AS IF it did not have enough problems already, the U.S. steel industry has now hit trouble *in what had been one of its* few highly profitable sectors. In the space of a few weeks, the *market for steel tubes used in* oil and gas wells has swung from boom to something close *to bust conditions.*

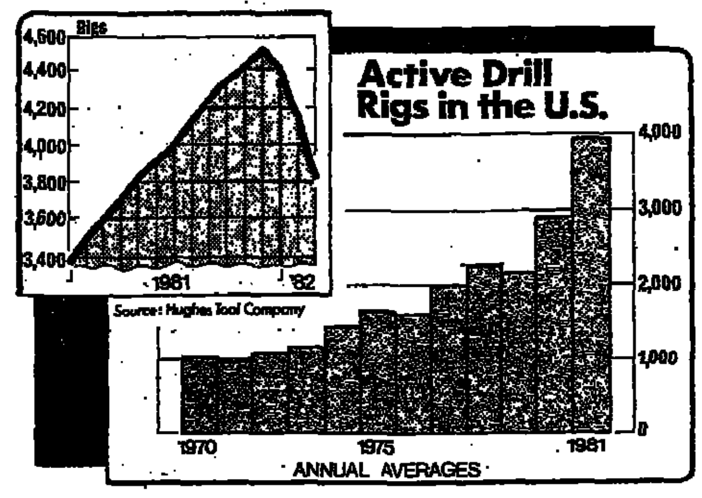
A sudden downturn in the rate of drilling for oil and gas has hit the steel supply industry after a period of massive stockbuilding. The result in a period of high interest rates has been a rush to reduce inventories, amounting in some categories of goods to what has been described as "panic selling."

In the jargon, "oil country tubulars" means steel pipe which is run vertically into *oil or gas wells. The three main* types are drill pipe, casing and tubing.

The explosion in drilling activity, which took the average number of active rigs up from just over 2,000 in 1979 to over 4,500 last December, brought a huge surge of demand for these products. Between 1978 and 1981, the aggregate domestic output of oil country tubular products made to U.S. petro*leum industry standards jumped* by three-fifths.

Even this was not enough to meet demand in the market place, however. Companies like U.S. Steel and Armco were unable to meet their customers' needs during 1981: together, the two companies are said to have ordered over 1m tons of oil country pipe and tube to supplement their own production.

Overall, the volume of imports *in this sector has* had a major impact on the total level of steel imports into the U.S. *According to the American In*stitute for Imported Steel, two-fifths of the imports of steel *products into the U.S. this* February consisted of pipe and tube ordered between August and September last year, which U.S. mills did not have the capacity to produce.



In their anxiety to secure their supplies in a tight market, *the drillers ordered far more* than they needed. Mr Dennis Kelly, of Republic Steel, who is chairman of the American Iron and Steel Institute's committee of steel pipe producers, estimates that total consumption of oil country tubular products in the U.S. last year was around 5m tons. Total domestic output was around 4.2m tons, imports came to something like 2.4m tons.

*The trouble now is that drill*ing activity has fallen off sharply in recent months, from a peak of 4,530 rigs at the end of December to around 3,640 at the last count.

Reasons for the decline include, obviously enough, the fall in oil prices, as well as uncertainty about gas prices, and the declining popularity of drilling funds as a tax shelter following the reductions in income taxes.

There is also a seasonal element in the downturn—which *did not show up in last year's* boom conditions—and unusually harsh winter conditions have *also played a part.*

This hardly amounts to a recession in the drilling industry. Armco argues that "when the rig count is above 3,000 you are still in boom times," and it is looking for growth rates of 10 per cent plus in the petroleum *equipment industry this year.*

The decline's impact on producers of oil country tubulars has been serious, at least in the short term. Lone Star Steel, which probably accounts for over a fifth of this market, says that the worst affected areas lie in the low grade carbon products, or around 4.5 to 5.5 in diameter. These are used in shallow well drilling, which is where the downturn in rig acti*vity has been sharpest and the* volume of imported goods has been greatest.

Business is much steadier in the high quality ranges where Lone Star is strongest, which is why the company remains optimistic about the outlook for its own earnings this year.

Mr Kelly thinks that destocking at this end of the market may be over within a period of months, but he suggests that in the lower grades, destocking will continue into 1983, unless there is a rapid upturn in rig activity.

The importers appear to have been hardest hit by the setback. *Imports of oil country goods* slipped from 432,000 tons to 277,000 tons between January and February this year, which helps to explain why the total tonnage of steel shipped from *the EEC slipped by more than* two-fifths over this two-month period.

Analyst Mr Peter Marcus, of stockbrokers Paine Webber Mitchell Hutchins, says that total shipments of oil country tubulars this year will fall by at least 25 per cent. He adds that price cutting is now spreading to higher value products, partly as a result of aggressive discounting by foreign mills. His view is that the overall level of demand in 1981 may not be exceeded until 1985.

By that time, the supply situation will have changed significantly. Although Armco has placed what it calls a "temporary hold," on a planned $671m (£372m) expansion in seamless tubular products, U.S. Steel and CF and I Steel Corporation will be bringing major greenfield sites into production.

Other manufacturers are investing heavily in upgrading their existing facilities. Republic, for instance, is putting $100m into this area over the next three years. All told, the American Iron and Steel Institute says that 34 companies have indicated plans to expand output of tubular goods by more than 5m tons in aggregate between 1981 and 1984 of which over half is for oil country products.

Some importers remain confident about the long-term opportunities in this market. For instance, Tube Investments —which sold something like *20,000 tons of mainly high* quality oil country tubulars to the U.S. in 1981—reckons that *its business will be back in* reasonably good shape by the end of this year. Taken as a whole, it may be that 1981 will turn out to have been a one-off bonanza for importers in this sector.

In London some exporters to the U.S. remain confident about the long-term opportunities in the market. Tube Investments of the UK believes it has *established a reputation for* quality which will guarantee it a continued share.

The company sold some 20,000 tonnes of oil country tubulars to the U.S. in 1981 and though it recognises that the quantity is bound to fall, it is "working very hard to hold onto our share."

BSC refused to give figures on its sales of oil country tubulars last year but agreed it was "finding it difficult to sell in an overstocked market like everyone else."

On the other hand, Mannesmann, the leading West German steel pipe manufacturer, sees no sign of the collapse in the market for oil country tubular piping about which U.S. companies are complaining.

Mannesmann underlined that *in the U.S. in particular last* year it had done excellent business in this specialist field and Brazil had proved to be another good market. But a company spokesman declined to speculate whether this success has been at the expense of the market shares of U.S. manufacturers.

A breakdown in company figures for 1981 in this field was not immediately available but in general, foreign demand for oil *country tubular goods and high* grade tubes overall was strong and helped make up for a depressed West German domestic market.

Preliminary figures for 1981, just released, show Mannesmann's overall pipes production up by 14 per cent against 1980 to 3.5m tonnes and production in its seamless tubes sector alone up by 19 per cent to 2.1m tonnes.

*In Paris, Vallourec, the lead*ing French steel tube manufacturer, said that the U.S. market *had showed a clear downturn* since the boom conditions of last year. The company refused *to give figures or reveal its* overall strategy in the U.S., but it said that it had been able to increase sales last year partly because of the expansion in oil drilling activity.

FALKLAND ISLANDS DISPUTE

Argentine public diverted by 'Ealing comedy'

BY JIMMY BURNS IN BUENOS AIRES

THE LOCAL English language newspaper, the Buenos Aires Herald, recently described Argentina's clash with Britain over the British-owned Falkland Islands as "an attempt to combine an Italian opera with a very British Ealing comedy."

The present row was sparked off by the arrival of a group of Argentine scrap merchants on *the small island of South* Georgia, which is a dependency of the Falkland Islands but over 900 miles farther east across the South Atlantic.

Until recently it was administered from the Falklands' capital, Port Stanley, but there was really very little needing administration. The only inhabitants were 22 members of the British Antarctic survey, quietly engaged in *geological* and scientific research. Several hundred sea lions make up the *island's indigenous population.*

Yet, just over a week after the scrap merchants' arrival, *the event has blown up to such* an extent that the U.S. has taken the unprecedented step *of diplomatic intervention* to avoid what it believes is now a very real possibility of a *military confrontation* between two of its closest allies.

The escalation has so far been *firmly weighted on* the Argentine side, and has not been restricted to recent events. *South Georgia may have* been the spark but the fuse was alight long before.

*British diplomatic foot*dragging has increasingly exasperated the Argentine mili*tary régime ever since* serious negotiations on the sovereignty issue began in 1977. After the *last round of talks in* New York, the Argentine government warned that unless there was a rapid agreement Buenos Aires would end negotiations and "seek other means to end the dispute."

The British position has always been that handing over the Falklands could not simply be a desk-clearing exercise. It had to be a carefully worked-out negotiated settlement which took into full account the wishes of the 1,700 islanders. The islands have airline and telephone links with mainland Argentina and the Argentine state oil firm YPF supplies the islands with fuel but none of these measures has successfully seduced the islanders into becoming any more Argentine. *Port Stanley, with its pubs,* Tudor-style town hall, terraced houses and the Governor's *London taxi, reflects profoundly* pro-British sentiments.

The British Government is *acutely aware that it would face* not only the wrath of the Labour Party, still highly suspicious of Argentina's human rights record, but also a major backbench revolt from patriotic Conservatives if it were ever to be seen to be selling the Falklanders down the ocean. Any doubts about this have been firmly dispelled in the past few days by the considerable chest-beating that has gone on in the *British parliament.*

On a visit to the islands in 1980 Mr Nicholas Ridley, the *then Foreign Office Minister,* warned that Argentina's patience was running out and *that there were at most only* two more years to come up with concrete proposals. He strongly argued *in favour of a "Hong* Kong solution" to the islands, which would mean the cession to Argentina of *titular* sovereignty over the islands in return for full rights there for many years. Britain also suggested initiating talks on joint exploration and fishing rights with Argentina. Two years have tended to turn relatively small progress being made on any of these issues.

Privately British officials admit that the islanders' suspicions about Argentina have little changed: a majority of them see the Hong Kong solution as the thin end of the wedge to a defacto Argentine occupation sooner or later.

On the Argentine side, two changes of president in the space of three years has delayed a more detailed response to the British proposals.

What has remained firmly rooted in the mind of successive Argentine politics and has ever, has been the issue of sovereignty in its vaguest and most emotional sense. Ultra-nationalism is deeply rooted in Argentine politics and has tended to turn relatively small territorial differences into dramatic events: in 1979 Argentina nearly went to war with Chile over three barren islands in the Beagle Channel even though an international juridical decision had awarded the territory to the Chileans.

It was the British who first complained publicly about the South Georgia incident when the Foreign Office claimed that the Argentines had acted illegally by not getting customs clearance. The protest was immediately turned on its head by Buenos Aires, however: The *Argentines claimed South* Georgia as theirs, and sent in the navy to protect its subjects.

Behind Argentina's nationalist feelings are some more complex political motivations. Some *economic circles, for instance,* suspect that the present régime's stirring of territorial disputes has more to do with increasing budgets for the military than with national honour and dignity. Other observers suggest that Argentine adventurism in foreign policy is aimed at diverting public opinion from more pressing problems at home.

The South Georgia incident blew up as the opposition in Argentina decided to stage the first major demonstration against the Government's economic policies since the 1976 coup. Indeed, government officials went so far as to leak to the Press reports that the organisers had cancelled the rally because of "national concern" over the Falklands. In the event the rally went ahead with the participation of thousands of people. But if popular support for its foreign policy is not quite what the régime would like it to be, there is little sign that the sabre-rattling is near its end.

Foreign Office officials admit that part of their difficulties in negotiating a settlement with Buenos Aires is that Sr Nicanor Costa Mendes, Argentina's *Foreign Minister, is backed by* a web of conflicting political and military interests. In particular, there are naval and military officers who feel that the only logical next step of their brink*manship must be an invasion.*
Reuter

OVERSEAS NEWS

Japanese spend $1bn to support declining yen

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE authorities may have sold well over $1bn in support of the yen last month, according to indications from the latest foreign reserve figures, making March one of the heaviest intervention months in two years.

The Bank of Japan is believed to have sold an additional $150m yesterday as part of its effort to halt the yen's decline. At the end of Tokyo trading the currency had recovered slightly to 247.90 per dollar from 248.30 at the close on Wednesday.

The Finance Ministry announced yesterday that the official reserves plunged by $891m last month, to stand at March 31 at $27.231bn.

In January and March the official reserves dropped $158m and $123m respectively.

Dollar selling by the Central Bank for those months probably averaged $400-500m.

Last month's drop was the largest since March 1980 when the reserves plummeted by more than $2bn. At the time, the yen was trading slightly lower than at present. The authorities had launched a far-reaching and finally successful yen defence package, consisting mainly of measures to encourage capital inflows.

The Government has preferred market intervention so far rather than emergency restraints on outflows.

Reuter adds: Gold fever swept the Tokyo Stock Exchange yesterday as investors bid frantically for the shares of two mining companies involved in a gold discovery. Brokers said trading in the shares of Sumitomo Metal Mining and Mitsui Mining had to be halted eight times because of the scramble.

Investors paid Y203 (46p) for Sumitomo Metal shares last July when they were at their 1981 low-point. Yesterday the shares rose to a record high of Y1,130. Mitsui shares traded at Y270, up from a 1981 low of Y98.

Sumitomo announced last September that it had found gold at Hishikari on Kyushu Island, 630 miles from Tokyo. The company reported last month that the deposits were rich, ranging up to 23oz a tonne. Mitsui owns mining rights on property adjacent to the Sumitomo find.

Michael Thompson-Noel in Sydney looks at a vital Australian state election

Dismal poll forecast deepens Liberal rift

TOMORROW IS polling day in the resource-rich and prosperous State of Victoria, power base of the Melbourne-oriented financial and business establishment of the ruling Australian Liberal Party. Yet, the elections are expected to sweep Mr Lindsay Thompson, the State Premier, and his Liberal Government from office, installing, in their place, Victoria's first Labour administration in 27 years.

Victoria's elections seem bound to intensify the mid-term pressures on the federal Liberal Government in Canberra, and to deepen the rift between Mr Malcolm Fraser, the Premier, and his rival for the Liberal leadership, Mr Andrew Peacock.

Charismatic and image-conscious — he is known as the Sunlamp Kid — Mr Peacock is said to command the support of 16 senators and 25 MPs out of a Liberal Parliamentary total of 81. A former minister, though now glowering from the back-benches, he has yet to launch a formal challenge to Mr Fraser's leadership. But it is widely expected, particularly if the Liberals do as badly in Victoria as the polls predict.

From the Liberals' point of view, the signs are ominous. A recent gallup poll put Labour's support at 52 per cent against 39 per cent for Mr Thompson and the Liberals, 6 per cent for the Australian Democrats, and 3 per cent for the Australian National Country Party. Labour's lead may now have shortened, but it needs to improve its vote by only 2 per cent to gain control of the State.

Last weekend, Mr Thompson appealed for "personalities and rivalries" to be kept out of the election. Nobody listened, however, for he was referring to the chorus of speculation that has followed the Government's crushing federal by-election defeat in the Sydney seat of Lowe last month.

The swing to Labour was 9 per cent, prompting a warning, by Mr Fraser, that the ruling Liberal-National Country Party coalition must be ready for a general election "at any time."

Mr Fraser was tempted to spread oil on troubled waters. In February he told Parliament that what Australia needed was "a policy approach marked by balance, vision, and realism." While success in fighting inflation had been vital, he said, so had "non-disruptive management of the exchange rate."

Mr Fraser said the Government's goal had been higher living standards, and claimed that the benefits were plain to see: almost 400,000 new jobs created in the three years to last December; real household disposable incomes up by A$3.9bn (£1.7bn), after tax, in 1980-81; and average real weekly earnings more than A$13 higher in the two years to last September. There was also a 17 per cent improvement in real business profits in the last three years, and a surge in business investment, primarily attracted by the lure of Australia's vast energy and minerals wealth.

Belatedly, however, the recession in world trade has caught up with Australia, so that an electorate that previously assumed itself cocooned from world economic trends by its vast wealth of resources, has been confronted, painfully and abruptly, with some of the facts of life.

As recently as January, business confidence was still relatively unbruised, but inflation is running at 11 to 12 per cent and unemployment is at a record 7 per cent. There has been a significant turnaround in the Australian balance of trade, with a deficit on the current account of A$5.649bn in the eight months to February 1982, and the total for 1981-82 expected to reach at least A$8bn, compared with A$5.19bn the previous year.

Mr Andrew Peacock: a rival for the Liberal leadership

Since 1975 the Government has made progress in reducing its public sector borrowing requirement, which has made room for private sector expansion, but the budget deficit overrun in the current year is expected to total A$1bn. In the charged atmosphere of the present, however, that is of greater political than economic significance.

Interest rates are at their highest ever. Profits, particularly in the mining sector, are under pressure where they haven't already been decimated. Major resource projects face the prospect of being delayed. Mr Fraser has warned that there can be no thought of expanding the money supply to accommodate further wage increases on top of the settlements for wages and shorter hours of the past six months.

Mr Bill Hayden, the Labour Party leader, instructed Mr Fraser to "stop harming Australia, and hurting ordinary Australians," and called this week for a moderate "one-off" devaluation of the Australian dollar, of about 3 per cent, to ease pressure on interest rates.

The edginess within the Liberal Party could be causing as much damage to its cause in Victoria, the Prime Minister's home state, as any Labour sniping, however. It was Lowe, together with the Liberals' dismal showing in the Victoria polls, that has given extra credence to Mr Peacock's expected challenge for the Liberal Party leadership.

UK envoy tries to see W Bank mayors

JERUSALEM—Britain set up contacts with Palestinian mayors in the West Bank yesterday amid signs of decreasing tension in the Israeli-occupied territories.

Lord Carrington, the Foreign Secretary, ended 48 hours of talks with Israeli leaders on a day when there were no reports of fresh disturbances in the occupied areas where five Arabs have been killed in clashes with Israeli security forces.

In Northern Sinai, off limits to most settlers since midnight in preparation for the handover this month of the desert peninsular to Egypt, ultra-nationalist Jews attempted a sea-borne landing from the Mediterranean, but were intercepted and chased away by Israeli navy patrol boats. They had intended to join hundreds of settlers still defying the army's closure of the region.

Lord Carrington had a final round of talks with Israel's Foreign Minister, Mr Yitzhak Shamir. Sir John Leahy, a deputy under-secretary at the Foreign Office, was due to see four Arab municipal leaders, but the Israeli Foreign Ministry delayed granting its permission for the meeting.

His contacts, in an officially secret programme, were due to include two of three mayors whose dismissal by the Israelis last month set off violent protests by Palestinians.

The three mayors are supporters of the Palestine Liberation Organisation, with which Israel refuses to negotiate.

Britain and other members of the European Community say that the mayors represent West Bank opinion and should not have lost their jobs.

Reuter

Financial rand boosted by investment rumours

BY BERNARD SIMON IN JOHANNESBURG

THE FINANCIAL rand, South Africa's investment currency, rose yesterday to its narrowest discount against the commercial exchange rate in almost two years.

At the close of the Johannesburg Stock Exchange the financial rand was trading at a mid-rate of 77.5 U.S. cents, equivalent to a discount of 18.4 per cent to the commercial rand, which closed at a spot mid-rate of $0.95.

The financial rand has gained about 5 cents in the past week, from a two-year low of around 69 U.S. cents earlier this month. For most of the past year, it has traded at a discount of between 20 per cent and 35 per cent to the commercial exchange rate.

The strength of the investment currency, despite the lack of foreign interest in South African shares, is widely ascribed to purchases by a foreign company planning to expand its operations in South Africa. The names of several European motor vehicle manufacturers have been mentioned.

Pressure on the financial rand rate has been increased by the lack of demand for gold shares in Johannesburg. Financial rand are created when foreign investors buy equities abroad and sell them on the local stock exchange.

Financial rand are used for portfolio investments in South Africa as well as to finance equity purchases by foreign investors in unlisted companies. The reserve bank has approved applications worth over R1bn for investment in unlisted ventures since the financial rand was introduced in January 1979.

THE GULF WAR

Iranian successes could threaten Mideast equilibrium

BY ROGER MATTHEWS

THE SERIOUS reversal suffered by Iraq in the Gulf war during the past week will have set alarm bells ringing throughout the Middle East. U.S. intelligence officials talked on Tuesday of the Iraqi army being "on the verge of collapse" after being driven back some 20 miles by Iranian forces.

Satellite photographs provide few indications of an army's morale, but there is little doubt that the Iraqi Fourth Army was badly mauled during the three-wave Iranian assault which began on March 22.

The vital question now to be answered by Iran is whether it has the military strength to throw Iraqi troops out of the remaining territory they occupy and whether, if successful, it would be willing to halt at the international border. Ayatollah Khomeini is pledged to the overthrow of Iraq's President Saddam Hussein and, buoyed by military success, is unlikely to be in any mood to lessen his political demands.

The prospect of a rampant Iran then working closely with a new Iraqi regime, which may have significant Shia Moslem participation, is an unacceptably bleak prospect for the conservative oil producers in the region and for much of the industrialised world.

Not only would the traditional regimes face a potent political threat but also a major economic challenge since Iraq and Iran could be capable of producing almost as much oil as Saudi Arabia.

There is little the conservative Arab oil producers can do militarily to stem the Iranian advance. However, King Hussein of Jordan, Iraq's staunchest ally, has been in Baghdad this week and is the only Arab leader to have dispatched a force of "volunteers," although not for combat duties.

Should the King conclude that Iraq needs more than financial aid and token military assistance it is not obvious to whom he could turn. Syria is working hard for the overthrow of Saddam Hussein. Morocco is tied up in its own conflict with the Polisario guerrillas, and President Hosni Mubarak of Egypt is unlikely to want to become involved beyond continuing supplies of limited weaponry and ammunition.

A number of Arab states might be persuaded to send a battalion or so of troops but they have also to measure the risk involved of appearing to broaden the conflict, against which Iran has given consistent warnings, without any guarantee that their participation would do anything to halt the Iranian advance.

For the past 18 months the two super-powers have failed to perceive any clear advantage in supporting either Iraq or Iran. But the balance may now begin to tip a little and there is already evidence of concern in Western Europe that the tide may be turning too sharply against President Saddam Hussein.

The industrialised nations have a great deal at stake economically in Iraq and can remember all too clearly the financial pain of the Iranian revolution. But now, as in the early days of the war, the capacity of any outside power to affect the course of the fighting is limited.

President Saddam Hussein may not need much encouragement to soften still further his conditions for a ceasefire, but there is no political reason why the Iranians should be eager for peace.

The extent to which Iran has succeeded in breaking the military stalemate may soon become known through the response, or lack of it, from Iraq.

For more than six months both sides have generally avoided hitting economic targets and particularly oil installations. If President Saddam Hussein believes that Iran's most vulnerable point is its economy he may be tempted again to attack the main offshore oil terminal at Kharg Island in the Gulf.

Resuming attacks on Iranian economic targets could make sense to Iraq because of its own far greater capacity to borrow to sustain the war effort. But if that fails and Iran manages to maintain its offensive, the political map of the Gulf could begin to look very different.

Big oil find in South Yemen

By Ihsan Hijazi in Beirut

OIL, in big quantities and in good quality is reported to have been found in South Yemen. The left-wing daily newspaper As Safir quotes Arab diplomats in Beirut as saying that the discovery was made in Hadramaut Province, near the border with Oman, and in the exploration area of the Italian company, Agip.

If the report proves true, a measure of oil wealth for impoverished South Yemen could increase its influence in the Arabian Peninsula.

WORLD TRADE NEWS

Mannesmann wins extra pipeline orders worth £53m

BY KEVIN DONE IN FRANKFURT

MANNESMANN, the West German mechanical engineering and steel pipe group, has won additional orders worth DM228m (£53m) to supply piping for 22 of the compressor stations to be built on the northerly section of the Soviet Union's controversial Western Siberia-to-West Europe natural gas pipeline.

West German industrial groups have been disappointed by the volume of orders that have been placed by Moscow in the Federal Republic for equipment for the 5,500 km pipeline.

It is likely that less than half the credit originally made available by a West German banking consortium to finance West German equipment exports for the pipeline will be taken up.

The lion's share of the orders have been booked by companies in Italy and France and contracts worth little more than DM1.5bn have been awarded to West German companies compared with business of up to DM 10bn that was originally hoped for, before Moscow decided to reduce the scope

Mannesmann has won orders totalling around DM 440m for equipment and engineering work for 22 of the 41 compressor stations, which will be built at intervals along the pipeline in order to boost the flow of the gas.

Along with Creusot-Loire of France it was appointed general contractor last September for the northerly section of the line—the southern section is being handled by Nuovo Pignone of Italy—and it expected to receive fees for this work of around DM 80m.

Last autumn it won contracts worth around DM 130m for skids and by-pass piping for the compressor stations, and these orders have now been supplemented by further station piping orders worth some DM 228m.

Mannesmann's Demag subsidiary is supplying five compressors for the head station of the pipeline, but it lost the fight for the main compressor orders to companies in France and Italy.

In addition, Mannesmann is supplying 1.2m tonnes of larg-diameter pipes to the Soviet Union in 1982 and 1983, much of which could be used in the building of the Urengoy pipeline.

The biggest single order for the pipeline won by a West German group went to AEG-Telefunken for 47 gas turbines worth DM 700m. The turbines are based on U.S. technology and it is still unclear whether they will fall foul of Washington's attempts to stop the delivery of oil and gas equipment to the Soviet Union in the wake of the military takeover in Poland.

Count Otto Lambsdorff

Nigerian raw material imports face inspection

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

RAW MATERIALS, spare parts and books already in transit for Nigeria will face inspection when they reach their destination if they do not arrive within the next fortnight.

A further circular from the Central Bank of Nigeria, outlines the details of the new restrictions placed on hitherto free imports following the introduction of constraints envisaged in last December's budget.

The constraints concern raw materials, spare parts, books and frozen fish. Tehy are being brought into the ambit of the pre-shipment inspection scheme run for the Nigerian Government by Societe Generale de Surveillance, the Swiss group.

Goods in these categories, in orders with a cost and freight value of more than N10,000 (£8,400), not shipped by the end of March have to be inspected even though the foreign exchange remittance authorisation—the Form M—may have been issued berore March 23. The present series of import restrictions started to come through on that date.

But there is an exception. If a Form M was issued before March 24, shipment is made before April 9 and the goods arrive in Nigeria by April 16, then the goods escape inspection.

But if the goods fail to arrive by April 16 then they will have to be inspected on arrival.

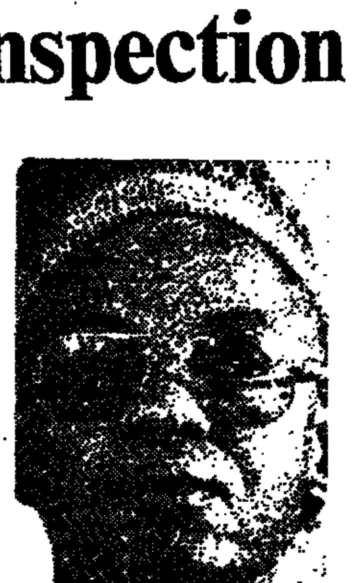
Time is thus very short for exporters of the newly controlled goods if they want to avoid being caught within the inspection scheme, either in the UK or Nigeria.

They are already questioning the ability of SGS quickly to make the necessary preshipment inspections before April 9, given that the new restrictions on raw materials, spare parts, books and forzen foods come on top of a heavy list of manufactured goods already subject to inspection.

But SGS is telling exporters that if they are selling any of the newly restricted goods, and they have a Form M issued before March 24, they should make contact and send SGS a copy of the Form M, with the pro forma invoice that accompanied the original application for foreign exchange made in Lagos.

The result of the new regulations is to make the vast majority of Nigerian official imports subject to strict control. The extent to which the policy enunciated by the Government over the last 10 days will influence smuggling is less clear. UK exports to Nigeria were worth about £1.5bn last year.

But President Shehu Shagari is expecting that the Central Bank will have the necessary information to make an appraisal of Nigeria's foreign exchange obligations by the middle of the month.



President Shagari

Lambsdorff to hold Tokyo talks

By Jonathan Carr in Bonn

COUNT Otto Lambsdorff, the West German Economics Minister, will press for further steps by Japan to boost its imports during a six-day visit to Tokyo starting today.

During talks with members of the Japanese Government and industry, he will warn that continuation of Japan's huge trade surplus with the European Community and the U.S. could set off a chain reaction of protectionism.

This in turn would pose a grave threat to West Germany which, as a heavily export-dependent nation, has a particular interest in seeing that free trade in goods and capital is maintained.

Economics Ministry figures show that last year West German exports to Japan rose by 20 per cent to DM 4.76bn (£1.13bn)—but imports from Japan rose still faster, by 23 per cent to DM 12.9bn. West Germany's trade deficit with Japan was thus DM 1.6bn higher than a year earlier.

To help correct this imbalance, Count Lambsdorff has a series of specific requests.

They include a liberalisation of Japanese capital and financial markets, a boost to domestic demand through cuts in import duties—not least on copper and shoes—and removal of non-tariff barriers to trade.

Search for crude boosts Midlands company

BY LORNE BARLING

THE RISE in oil prices in the last decade and the subsequent search for new sources of crude has resulted in an export bonanza for Bronx Engineering, a West Midlands company which has developed equipment for finishing high-quality pipe.

In response to fast-growing demand for pipe which will withstand deep drilling in hostile and remote conditions, the company has designed a new machine which will straighten raw steel pipe after manufacture without reducing significantly its collapse resistance.

The company, based at Lye, near Stourbridge, has won orders for the equipment worth around £10m in the past 10 months, and having now achieved acceptance in the important U.S. market, its sales prospects are further enhanced.

Bronx, which specialises in the manufacture of metal forming and steelworks finishing equipment, has been through a difficult period, with home orders at a low level, and showed a loss last year for the first time in its 40-year history.

While the company achieved record sales of over £14m in 1980, mainly through the supply of slitting lines to the British Steel Corporation at Corby, and to a customer in Canada, orders fell away rapidly thereafter.

Mr Terry O'Connor, Bronx's chairman and chief executive, said: "The overwhelming reason was the rapid acceleration in the strength of the pound in 1980, while our costs were increasing faster than our competitors."

In a period of 17 months, from the start of 1980, the company's order intake was only 60 per cent of that required to break even and sales in the first half of 1981 were less than £4m.

As a result of this, the work force was reduced from around 480 to 360 and no wage increase was awarded last year in view of the serious position of the company, Mr O'Connor said.

The key to Bronx's rapid recovery lay, somewhat unexpectedly, in the installation in 1978 of its first cross-roll, heavy-duty pipe straightener, built for the West German company Mannesmannrohren-Werke.

This was a newly-designed machine of around 375 tons, probably the largest of its kind in the world, and was required to finish pipe destined for the proposed undersea oil pipeline between Italy and Libya.

The order was regarded by Bronx as a milestone, since it was competing against the Mannesmann subsidiary Demag Meer, which posed problems about the provision of confidential technical information during bidding.

However, these were overcome and the contract paved the way for the development of a new generation of smaller cross-roll machines, but without a U.S. order to provide the vital American Petroleum Institute (API) quality reference, no further contracts followed until an inquiry early last year from Dalmine of Italy.

This state-owned company was impressed with the machines, though was under pressure from Innocenti, another Italian state concern, to buy its equipment manufactured under licence from the U.S. company, Sutton.

Another problem arose through the refusal of Mannesmann to allow Dalmine engineers to examine its Bronx equipment in operation, but despite these obstacles, Dalmine ordered a machine which is being delivered this month.

According to Mr Arthur Brown, Bronx's director responsible for these sales, the next success came in Mexico, where oil development led to an order from Tamsa for its Veracruz works, against competition from Sutton.

The last major hurdle, however, was the U.S. market. Mr Brown said: "The U.S. can be regarded as the home of the API pipe industry, and it is understandable that American pipe makers are accustomed to using, and have a preference for, domestically produced equipment."

The signing of a contract last August with a newly formed U.S. company, Tubular Corporation of America, which was setting up a "state-of-the-art facility for world-class oil country tubular goods" in Oklahoma, was therefore regarded as a breakthrough.

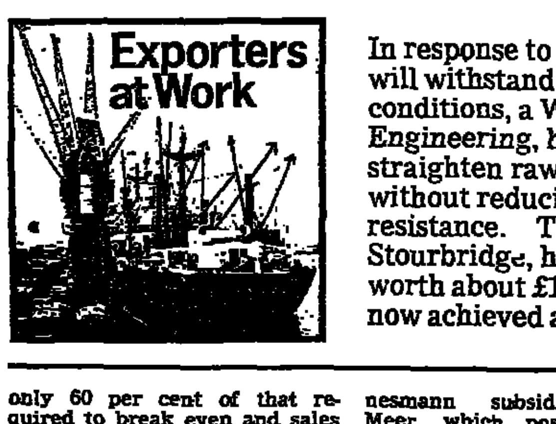
Bronx said TCA's personnel, under the direction of Mr Robert Alpert, the chief executive officer, had investigated all available equipment before placing the order, which was worth £1.75m.

Three more contracts with U.S. companies followed in quick succession, one from Pittsburgh Tube, another from Copperweld, and a last from Premium Mill Services of Houston, Texas.

However, the largest order was yet to come, this time from the Soviet Union, in relation to the development of oil and gas reserves in North-West Siberia, where hostile conditions require high grades of drill pipe.

Stankoimport, the Soviet state machinery buying agency, indicated late last year that it wanted a number of machines for pipe finishing work in relation to the controversial Soviet-West German gas pipeline, and shortly before Christmas placed an order for nine.

This deal, backed by the Export Credits Guarantee Department and British finance, totalled £4.6m in value, and a further smaller order from Sweden brought sales in the last 10 months of 1981 up to more than £10m.



In response to fast-growing demand for pipe which will withstand deep drilling in hostile and remote conditions, a West Midlands company, Bronx Engineering, has designed a machine which will straighten raw steel pipe after manufacture without reducing significantly its collapse resistance. The company, based at Lye, near Stourbridge, has won orders for the equipment worth about £10m in the last 10 months, and has now achieved acceptance in the U.S. market.

UK and U.S. hope for Taiwan nuclear contract

BY ROBERT KING IN TAIPEI

NEI ENGINEERING of the UK and Combustion Engineering of the U.S. may have to wait several months before learning if they have won a contract to supply Taiwan with its fourth nuclear power plant, according to officials.

The two companies were given a boost two days ago when Mr David S. L. Chu, the president of Taiwan Power, was reported as saying his company would negotiate with the companies for the deal.

But the officials said that this did not amount to a contract award.

The intensity of the competition for the contracts was further emphasised yesterday by Mr Chok-Hung Lee, a Combustion Engineering official, who said: "The time that is important is the signing of the contract. The positions (the negotiating preference given by Taipower to NEI and his company) can be changed in 30 seconds."

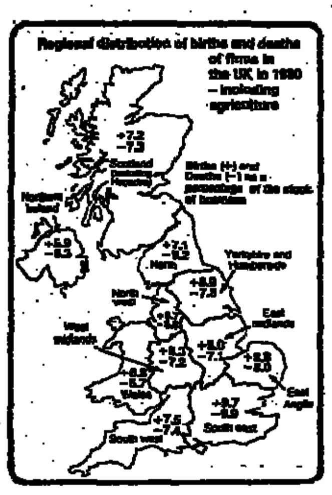
Should the British and U.S. companies secure the contracts, NEI will supply Taipower with two 1,000 MW turbine generator sets, and Combustion Engineering will supply nuclear steam supply systems. But they face competition from seven international concerns.

South East took 35% of companies formed in 1980

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MORE THAN 35 per cent of companies set up in 1980 were based in the South East weheras poorer areas, such as Northern Ireland, East Anglia and the north of England, only had about 3 per cent each.

These statistics, which indicate that the South East economy is continuing to be considerably more buoyant than any other region were published yesterday by the Department of Industry in its magazine British Business.



Although some new businesses operating in various parts of the country wil be registered in the South East, the figures underline the problems faced by poorer regions.

The South East was also the most volatile area with 9.7 per cent (41,300) of its total businesses starting in 1980 and 9.9 per cent (42,000) shutting.

The least volatile was Northern Ireland with 5.9 per cent (2,700) being set up and 6.3 per cent (2,900) closing.

"If risk-taking is indeed the norm, then arguably a region declines over the time not because of a higher rate of business failure, but because it is not sharing in the concomitant growth," says Mr A Ganguly, a Department of Industry statistician who has prepared the figures on the basis of valued added tax returns.

"On this hypothesis the higher the rates of innovation, the greater chances of success. And the more active the small firms section, the greater the chances of achieving the higher rates of innovation."

Mr Ganguly's statistics follow figures he produced in January which showed that the total of business births and deaths in the UK were more or less equal in 1980, with 113,000 being set up and 115,700 closing.

This was the first time that such figures have been produced. The findings are not conclusive because the VAT returns do not give a precise picture but they are thought to be more reliable than other statistics.

The biggest proportionate loss in the year was in the northern region covering Teeside, Durham, Northumberland and Cumbria. With 5,500 deaths and 4,200 births, this region had a net loss of 1,300, about 2 per cent of its total stock.

But the West Midlands, which was hit hard by the recession last year, still managed to achieve a net gain in 1980 of 1,400 businesses (1.2 per cent), losing 8,700 and gaining 10,100.

The East Midlands and East Anglia also managed to share in the growth in spite of East Anglia's poor percentage share of the national total.

Yorkshire and Humberside, the South West and Wales also showed modest net gains.

Homes cash for mentally ill

THE GOVERNMENT announced yesterday that several mental health organisations are to receive £180,000 in special grants. Most of the money will go to groups which provide accommodation for the mentally ill and mentally handicapped.

Mr Hugh Rossi, Minister for the Disabled, stressed the important role of residential care in homes and hostels.

Anglesey Aluminium lifts output to cut unit costs

BY ROBIN REEVES, WELSH CORRESPONDENT

ANGLESEY ALUMINIUM, the North Wales aluminium smelter owned jointly by Kaiser Aluminium Corporation and RTZ, has pushed up its production over the past few weeks in a move to minimise unit costs.

In the past 12 months Anglesey's output has been as low as 50 per cent of the smelter's normal capacity of 112,000 tonnes per annum. Mounting stocks and the general effects of the recession on aluminium demand are given as the reasons.

The company has reduced its workforce of 1,250 to below 1,000 through voluntary redundancies.

Although Kaiser last week announced a further 55,000 tonnes cut in its U.S. output to 49 per cent of capacity, or 353,000 tonnes, at Anglesey production has now been lifted with the aim of achieving output levels of 90,000 tonnes, or 80 per cent of the smelter capacity this year.

This rise should allow the company to maximise use of its base power contract with the Central Electricity Generating Board, which covers 80 per cent of its power needs. For the remaining 20 per cent, Anglesey has to pay a far higher price.

Anglesey Aluminium has also benefited from having this 80 per cent bulk power supply charged on the exceptionally low, theoretical cost of producing electricity from the as yet unfinished Dungeness B nuclear power station. The company is continuing to pay that notional price.

As a result of the cuts over the past year, stocks of unsold aluminium at the plant have stabilised at 30,000 tonnes. The company is hoping for sufficient recovery in demand to enable the smelter to both operate at 80 per cent capacity throughout 1982-83 and reduce stocks.

North-West team studies mill adaptation in U.S.

BY NICK GARNETT, NORTHERN CORRESPONDENT

A TEAM of businessmen, planners and property consultants are completing a tour of redundant textile mills in the U.S. to study how they have been adapted for use by high technology industries.

The principal purpose of the week-long tour is to assess whether improved techniques of mill refurbishment and industry promotion can be used in the depressed textile areas of the North of England.

Organised by Manchester Chamber of Commerce in co-operation with the Massachusetts Foreign Business Council, the group includes representatives of West Yorkshire County Council, the Manchester Business School and two north-western property consultancies.

Massachusetts is particularly attractive as a focus for the study of industrial regeneration because it has some close similarities in industrial infrastructure with the north west of England and had a strong textile presence.

The team has been examining the way the Wang Computer Company took over a refurbished mill in Lowell and a digital company moved into a similar building at Maynard. Similar kinds of mills are dotted throughout Lancashire, in Bradford and the Calder Valley in West Yorkshire.

The fact-finding tour is also looking at the broader issue of industrial regeneration and possible co-operation between industry and universities in the field of new technology. It has visited Springfield Polytechnic and the Honeywell computer company, assessing how industrial regions in the U.S. attract new industry and the kind of incentives and assistance they offer.

North West Property Survey Page 17

Top hotel tariffs up 14%

BY MAURICE SAMUELSON

TARIFFS in London's five-star hotels have increased faster than the rate of inflation, but most hotels in the capital are putting up their rates more slowly, says a leading reservations agency.

Exp-O-Tel, which claims to be Britain's largest hotel reservation agency, says its findings are based on a survey among the 120 hotels it lists in London and surrounding areas.

It said that although the capital's 14 five-star hotels had raised their 1982 tariffs by an average of 14.5 per cent, four star hotels had put up charges by an average 8.5 per cent, three-star hotels by an average 8 per cent, and two-star hotels by 8 per cent.

Commenting on the tariffs of top-class hotels, the agency said: "Unfortunately it is this sector that attracts the greatest publicity and distorts London's image as an expensive hotel destination."

The 12 hotels in the London Heathrow area averaged a 9.75 per cent increase. The average tariff for a single room at Heathrow is now £39.04, including Continental breakfast.

Civil Service management and efficiency under fire

Robin Pauley on a select committee's damning report

THE COMMONS Select Committee on the Treasury and Civil Service yesterday delivered, in its quiet, coded way, one of the most damning attacks ever made on the management, effectiveness and efficiency in the Civil Service.

The kernel of the committee's findings, published in a report to the Commons yesterday, is that urgent action is needed to introduce proper management techniques into departments and that ministers will have to start taking an active interest in the running and control of their ministries if any improvement is to be made.

"Ministers should realise their ability to manage their departments is as important to the country as their performance on the floor of either House (of parliament) or in committees," the report says.

The only minister to escape the sometimes scathing criticism is Mr Michael Heseltine, Environment Secretary, who introduced a Management Information System for Ministers (MINIS) in his department as soon as he took office.

He has used this detailed analysis of manpower functions and costs to achieve a reduction of 10,267 posts in his department—more than 20 per cent—in two and a half years.

The cumulative saving is about £100m a year and required only 3 per cent of the job losses to be obtained through compulsory redundancy.

The main thrust of the report is that all departments should be made to copy Mr Heseltine's scheme or its equivalent. (He, meanwhile, has a team hard at work on an even more ambitious project to turn MINIS into a full-scale management accounting system.)

MINIS is compiled separately for each directorate in the Environment Department and is updated annually. Each departmental volume contains:

- A summary of organisation and overall staff members.
- A summary of main activities and costs.
- A manpower budget outlining increases or decreases in 1981-82 in staff numbers (and grades) associated with expected changes in level of activity on departmental functions.

Performance

- Information from April-September, 1980, on staff and other costs, functions and tasks with importance ratings, function codes, objectives and expenditure responsibilities, and a performance assessment over the six months.
- For each function or task, planned performance for October, 1980-March, 1981, and for the following financial year.

Mr Heseltine introduced MINIS because he took over a department of more than 50,000 people. He did not know who was doing what or why and there was no system in the Civil Service enabling him to find out.

After some initial resistance from the Civil Service, some of which remains, his staff became increasingly enthusiastic about the system, or at least its efficiency. But other Ministers and Permanent Secretaries were unimpressed and remain so in spite of instructions from the Prime Minister to attend a seminar by Mr Heseltine on his scheme.

Mrs Thatcher, however, is understood to be impressed and for this reason alone the Select Committee's main recommendation may be enacted.

The 26 recommendations include:

- The annual public expenditure White Paper should update and collect statements of intentions, objectives, targets, resources used and outturns at the level of the programmes covered.
- MINNIS or its equivalent should be adopted in each department and, as appropriate, in other public sector bodies, and made public.
- MINIS costings should be capable of reconciliaiton with the department's conventionally recorded expenditure.
- Line managers should be given personal responsibility for making a defined contribution to achievement of targets and objectives.
- More line managers should be given full control over their staff and non-staff running costs with, for example, the right to substitute one type of resource for another in a budget.
- Line managers should be encouraged to put their own ideas into practice and encourage initiative in their staff.
- There should be an annual programme of departmental reviews.
- Select Committees should be able to ask the Comptroller and Auditor General to carry out efficiency and effectiveness reviews.
- The Treasury and Management and Personnel Office, in their relations with individual departments, should move away from guidance to prescription without delay.
- The Treasury should investigate the effectiveness of departmental programmes for which it allocates money.
- Comptroller and Auditor General should have access to the books of all bodies receiving public funds.
- A substantial proportion of most senior jobs should be filled by officials with successful records in general management.
- The Civil Service should have a system of merit pay.

The sub-committee which undertook the inquiry became convinced of the value of MINIS largely because of the string of unconvincing excuses for not using it put forward by senior civil servants from a range of ministries giving evidence.

On one afternoon members listened to one department (Employment) claiming to be too small for MINIS and another (DHSS) claiming to be too big. Most claimed to have something just as good in place; under close questioning every such claim failed.

Policy work

Within the coded language of civil servants, two telling comments were made to the committee by Sir Robert Armstrong, Cabinet Secretary and joint head of the Home Civil Service, who gave some open and frank evidence.

"As a generalisation, civil servants have tended to find policy work more interesting than management work," which is tantamount to an admission that management has been a non-subject in the Civil Service until recently.

When asked whether he favoured MINIS information for all departments being publicly available, he said: "I would be all for it" — a commitment to detailed publication of all Civil Service roles and functions with costings which would have been unthinkable for a Cabinet Secretary to advocate even five years ago.

Major criticisms of the Treasury in the report include:

"The evidence does not suggest that the Treasury has in the past played an active role in the direct promotion of efficiency and effectiveness. We suspect that the amount of money spent has been far more important to the Treasury than how effectively it has been spent."

Responsibility for improving the Civil Service is not just a matter for civil servants, the report says. Both ministers and parliament must be concerned with efficiency and effectiveness.

In the pursuit of these two aims, the first responsibility of ministers is to make clear the intentions of their policies. They should also set objectives and targets. On this point the committee and many of its witnesses were agreed: little can be done unless the minister actively cares and becomes involved in his department. This is a problem; this Government, like all before it, contains ministers such as Mr Heseltine who find management exciting or even interesting.

But, as Sir Robert Armstrong pointed out, there has been no great enthusiasm for management in the Civil Service either. The committee concludes: "There is no clear orientation towards the achievement of effectiveness and efficiency at the higher levels of the Civil Service or in government generally.

"The problems are not trivial and it will need a major effort to overcome them and make substantial improvements."

UK NEWS

BAe group wins £56m share of space contract

BY JASON CRISP

BRITISH Aerospace's Dynamics Group is almost certainly the largest sub-contractor for the world's biggest satellite communications contract worth over £350m, which was awarded to the U.S. company Hughes Aircraft late on Wednesday night.

The group's share of the contract is expected to be at least $100m (£56m). The contract has been placed by Intelsat, which is owned by most of the world's telecommunications authorities, and is for five powerful digital communications satellites.

A significant part of the order has been sub-contracted to companies within the countries of the major Intelsat shareholders. After American Telephone and Telegraph, Britain is the largest shareholder with an 11.3 per cent stake in Intelsat. Other sub-contractors include Spar of Canada, Thomson CSF of France, NBB of West Germany, Selenia of Italy and Nippon Electric Company of Japan.

The satellites, known as Intelsat VI, are for delivery in 1986. The first launches are expected in 1987. They will be three times as powerful as the communications satellites currently being launched. Each satellite will be capable of carrying up to 33,000 simultaneous telephone conversations and four television channels. They will be more than 100 times as powerful as the world's first telecommunications satellite Early Bird launched in 1965.

The satellites will be put into a geo-stationary orbit more than 22,000 miles above the Equator. They will be used to link the Americas, Europe, Asia, Africa and Australasia. Although the initial order is for five satellites Intelsat has an option for a further 11 which could put a total value on the order of $1.6bn.

Intelsat is owned by 106 countries. It provides all international space communications links on 15 satellites. There are three Intelsat V satellites in orbit together with 12 satellites of an earlier generation, Intelsat IV and IVA. Current international satellite communications capacity is 25,000 telephone circuits of which Britain has some 6,000.

British Aerospace Dynamics Group will supply some major parts for the satellite. They will include the basic satellite structure which has to be very light to achieve the maximum payload yet strong enough to withstand the pressures of launch.

The group will supply the power electronics, providing a very constant flow of electricity and including batteries used when the satellites' solar panels are eclipsed from the sun by the earth. It will also supply antenna reflectors and a cradle system for supporting and launching the satellite from the space shuttle.

Intelsat plans to launch the satellites from both NASA's space shuttle and from the European Space Agency's Ariane rockets in 1987.

British Aerospace is becoming a major supplier of satellites. It is prime contractor for five European Communications Satellites, the MARECS B, maritime communications satellite, two military communications satellites Skynet IV and L-Sat the very large and powerful satellites to be launched in 1986 with direct broadcast facilities.

Directors released from pledges

By Raymond Hughes, Law Courts Correspondent

OBJECTIONS by five present or former directors of Associated Communications Corporation to an attempt by Mr Jack Gill, the company's former deputy chairman, to release them from undertakings they gave for his protection in January, were ill-founded, a High Court judge said yesterday.

Last September the five—Lord Grade, Mr Isaac Benjamin, Mr Louis Michael, Mr Norman Collins and Sir Leo Pliatzky—undertook to Mr Gill that they would vote in favour of the proposal to give him a £560,000 golden handshake.

In January they gave an undertaking to the court to vote to adjourn an extraordinary meeting called to approve the payment, until seven days after final determination of a petition by institutional shareholders seeking to block the payment.

That undertaking was accepted by a High Court judge, for Mr Gill's protection, after the judge had refused to order the directors not to transfer their shares.

Yesterday Mr Justice Vinelott said that, because of substantial changes in the ACC affair since January—the withdrawal of the Heron Group from the takeover battle, and massive amendments to the petition, making it unlikely that it would be dealt with by the courts this year—Mr Gill wanted to release the directors from their January undertakings.

He wanted them to be able to vote at the extraordinary meeting on April 20, so that he would know where he stood in relation to the petition.

The directors, however, did not want to be released. Lord Campbell, QC, for the directors, had argued that they could be released only on their own application or with their consent.

If that contention were well-founded, commented the judge, it would have astonishing results. He was satisfied, though, that it was not.

Lord Campbell had also contended that a release would put the directors in the invidious position of having either to vote for the golden handshake or risk an action for damages by Mr Gill.

The short answer to that, said the judge, was that they had put themselves in that position by undertaking in September to vote for the golden handshake.

The directors were trying to rely on the January undertakings to absolve them, until after the petition had been ruled on, from any contractual obligations imposed on them by the September undertaking.

They could not have obtained a court order in those terms themselves, and the judge saw no reason why they should be allowed to adhere to an undertaking that Mr Gill no longer required in order to achieve that adventitious advantage indirectly.

He released the directors and ordered them to pay Mr Gill's costs. They were also ordered to pay the costs of Mr Robert Holmes à Court, the present ACC chairman, who had also given the January undertaking to Mr Gill but had not objected to being released from it.

David Freud writes: According to last week's Finance Bill, the new legislation on golden handshakes will apply to "income received on or after April 6, 1982."

The timing could be defined as the date on which the payment is "effected," which in the case of Mr Gill would presumably be the day on which the agreement is approved at an extraordinary general meeting.

So unless an extraordinary meeting approves the payment by next Monday, Mr Gill may have to pay tax under the less favourable new legislation.

Sun Oil goes ahead with plans for Balmoral Field

BY MAURICE SAMUELSON IN STAVANGER, NORWAY

SUN OIL, the 10th largest U.S. oil company, is forging ahead with plans to develop the Balmoral Field in the North Sea, in spite of persistent reports that the field may eventually be operated by the British National Oil Corporation, which has exploration rights in an adjoining North Sea block.

Mr Edward Blanton, managing director of North Sea Sun Oil, the company's London subsidiary, estimates that development of the field, 150 miles north-east of Aberdeen, could cost at least £700m. The field's recoverable reserves have been put at 100m barrels.

Mr Blanton said in Stavanger that Sun had already appointed its project manager for the Balmoral Field, who would be "in place" in June and who was already recruiting staff.

Sun Oil has a 63 per cent stake in Block 16/21 where it has drilled three wells.

BNOC's presence in an adjacent block has given rise to the reports that the Energy Department might prefer it to develop the field in preference to Sun.

Mr Blanton, said yesterday that Sun is better qualified to develop it than BNOC. While Sun had drilled three wells in Block 16/21 where it had a 63 per cent stake, BNOC had only a 40 per cent stake in its block where it was still proving its second well.

Sun's plans were boosted at the end of last year by the results of a well in the Alpha Sector of Block 16/21 which was drilled to assess discoveries made in 1975 and 1980.

The latest appraisal well flowed at rates of up to 5,450 barrels a day.

The company says it is holding discussions with the Energy Department over its application to run the field.

Sun expects to increase exploratory drilling in Balmoral towards the end of next year from a semi-submersible rig which it has leased on an 18-month contract from Jebsens Drilling, the North Sea drilling group.

Jebsens, formerly part of KJR, a Norwegian shipping group, recently paid £34m for the six-year-old rig which was renamed Ali Baba at a ceremony in Stavanger yesterday. Jebsens joined the Unlisted Securities Market in London yesterday.

After the renaming, Mr Atle Jebsen, chairman of Jebsens, said his company hoped to develop into a major European offshore oil organisation.

Its shares began to be traded yesterday at 270-280p. They had been placed privately last year at 300p. Mr Jebson said he was satisfied with the initial trading price.

Union loses ship welfare appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A VICTORY in the Court of Appeal two years ago by the International Transport Workers Federation (ITF), in its long campaign against flags of convenience, was snatched from it by three Law Lords yesterday.

By a three-two majority, the House of Lords ruled that the ITF's demand that a Liberian shipowner contribute to its welfare fund was not covered by immunities granted to unions by the 1974 Trade Union and Labour Relations Act.

The demand was not made in contemplation or furtherance of a trade dispute, because the fundfund had no connection with the terms and conditions of employment of the crew of a vessel "blacked" on ITF instructions, said the majority opinion.

Universe Tankships Incorporated of Monrovia was deemed to have contributed $6,480 to the fund under economic duress and was therefore entitled to get the money back.

The company paid as part of a package deal to secure the release of the 269,092-ton tanker Universe Sentinel when it was "blacked" at Pembroke Docks in 1978.

But, in allowing the company's appeal against an Appeal Court ruling in favour of the ITF, all five Law Lords rejected the company's claim that it could recover the money on the ground that it had been paid to the ITF upon trusts that were void because their purposes were not exclusively charitable.

There was no trust, said the judges. The money had been paid as a contribution to the ITF's funds.

Lord Diplock said that it was not disputed that the circumstances in which Universe Tankships made the contribution amounted to economic duress.

The financial consequences of the "blacking" to the owner were so catastrophic as to amount to a coercion of its will, vitiating its consent to sign the ITF's standard agreements.

In spite of that, the ITF's action would be legitimate if it had been in furtherance of a trade dispute involving the crew's terms and conditions of employment.

What was fatal to the ITF's case was the lack of anything to suggest that any entitlement the crew of the tanker might have to benefits provided by the fund was connected with their employment by Universe Tankships, said Lord Diplock.

Dissenting, Lord Scarman said that it was totally unreal to infer that, because seamen were not themselves obliged to contribute to the welfare fund, the obligation accepted by the owner to contribute "on behalf of each seafarer" on the vessel was not an obligation related to the crew's conditions of employment.

The demand for a contribution to the fund, if resisted by the owner, would have led to a trade dispute. The "blacking" in support of the demand was a legitimate exercise of pressure and did not constitute duress Lord Scarman added.

British Rail accepts 'tough' cost constraints

By Lynton McLain

BRITISH RAIL yesterday responded to the Government's decision to reject its request fo ra grant of £885.2m this year by saying it had "full confidence in its management' ability to work towards the cost constraints implied in the new grant."

At its monthly meeting the board accepted that the new grant of £804m was "tough" but said it would work towards the cost constraints as it had been doing since the onset of the recession.

The Government statement rejecting BR's grant claim was made by Mr David Howell, the Sransport Secretary, in the Commons on Wednesday. He said he did not intend that the decision should result in "yet further reductions in expenditure on necessary renewal and maintenance of the equipment."

BR responded by saying it believed the review of BR finances by Mr James Butler of Peat, Marwick, Mitchell would highlight the financial constraints which had led to the "serious backlog of renewal and deferred maintenance of railway infrastructure and equipment."

Electricity prices to rise by 9%

THE SOUTH of Scotland Electricity Board yesterday announced price rises averaging 9 per cent from April 5.

Mr Donald Miller, the new chairman of the SSEB said the board was looking into a government request to provide assistance to industrial consumers with heavy e lectric demand.

The board would be able to reduce tariffs to industrial consumers who at short notice would be able to sharply reduce or cut electric consumption to help its meet heavy overall demand for power.

The board would in the next week or two examine which companies could benefit under such a system.

Amstrad to build £2.5m Essex plant

AMSTRAD Consumer Electronics plans to build a 133,000 sq ft plant in Shoeburyness, Essex, at a total cost of £2.5m. It is due to be operational next January and will replace the company's two leased plants in the Southend area, which will be disposed of.

Mr A. M. Sugar, chairman, said the new plant would permit an expansion of production, particularly of tower hi-fi systems. Final decisions had not yet been taken on production levels, but it was likely that the company would increase its manufacturing staff of about 180 over the next year.

Marconi wins defence contract

THE JOINT Nato funded programme to improve Britain's radar defences entered its second phase yesterday with the award of contracts worth more than £20m to Marconi Radar Systems.

Marconi is to supply three new three-dimensional radar sets which will allow detection and plotting of airborne targets to a range of 250 miles.

The Defence Ministry said the new contracts will provide more than 500 jobs this year and about 350 next year.

Inco redundancies

INCO is to make 60 people redundant at its sole European nickel refinery at Clydach, near Swansea, South Wales. The company blames continuing weak demand for nickel products from the refinery, which has been operating at only 50 per cent capacity for some time.

Pizza Hut link

WHITBREAD and Pepsico yesterday set up a joint £3m restaurant company, PizzaHut (UK), to convert some existing Whitbread public houses into pizza restaurants and build outlets near other pubs.

Whitbread, which controls 7,000 public houses, aims to set up pizza counters in a number of its outlets.

Pepsico opened the first Pizza Hut restaurant in 1973. There are 13 in the chain, mainly in London.

Pottery to close

A FAMILY pottery business, Hall Brothers of Longton, Stoke-on-Trent, is to close its two factories and make its 50 workers redundant, because of the continuing recession in the industry.

Footwear job cuts

A TOTAL of 35 workers are to lose their jobs with the Raunds, Northants, based footwear company, Tebbutt & Hall. The company blames the recession and a drop in demand for safety footwear.

Passenger guide

LONDON TRANSPORT has launched a guide for elderly and handicapped passengers. The guide was prepared with help from handicapped schoolchildren from the Richard Cloudesley School for the Disabled, in hte Barbican, London. The guide costs 95p.

CBI region has 'doubts on upturn'

By Nick Garnett, Northern Correspondent

THE fragile nature of CBI optimism that there could be a real if slight upturn in manufacturing in the second half of this year was underlined yesterday by both Sir Terence Beckett, the confederation's director general, and the organisation's North West regional council.

Sir Terence said that the best that could be hoped for was a gentle rise in manufacturing over the next three to four months with this trend accelerating slightly towards the end of the year. Even this limited prospect was dependent on getting a number of factors right, he said.

It would mean lowering interest rates, an end to large increases in local authority rates and getting pay settlements down below the current average of 5 to 6 per cent. There were, however, indications that there might be "a bit of an uplift" in the second half of the year.

This was based on lower industrial costs arising from the Budget, a fall in the price of oil and the trends survey for the last six months of 1982 indicating the possibility of increased investment. A 1½ per cent rise in output over the next 12 months was possible.

There is clearly some difference between what the CBI discerns as national prospects and how some of the confederation's manufacturing regions view the next six to 12 months.

The level of inquiries about possible future ordering has jumped noticeably in the North West but local CBI officials were still cautious as to whether these will be translated into firm orders.

A statement after yesterday's North-West regional council meeting said that on the basis of a mini-survey of companies there were still no clear signs in their area "that an early upturn is in prospect."

The survey revealed little confidence about an increase in home orders over the next six months, no expected improvement in liquidity or investment intentions and no anticipated change in stock levels.

Mr John Tavare, CBI's North-West regional chairman said: "Some companies are undoubtedly experiencing an improvement, particularly in export orders, which is an encouraging sign but, unfortunately, the position of the majority of companies is unchanged."

Finance house business swelled by Ford Motor

BY OUR BANKING CORRESPONDENT

THE AMOUNT of new business written by members of the Finance Houses Association (FHA), which accounts for four-fifths of the UK finance house industry, rose by 16.3 per cent to £6.078bn in 1981 and outstanding balances grew by 24 per cent to £10.119bn.

However, the figures are inflated by the activity of new members, especially Ford Motor Credit Company. After adjustment for them the growth of new business was less than 10 per cent—less than the rate of inflation.

The main growth area was consumer business. Figures in the FHA's annual report, out today, show that even allowing for changes in membership, new consumer business grew at twice the rate of that in the overall corporate market.

Consumer lending rose by 23 per cent (£2.372bn) and by 14.5 per cent on an adjusted basis. In recent years consumer business has been declining in importance, but the trend was reversed last year. Although 70 per cent of the FHA's outstanding loans are to companies, and only 30 per cent to consumers, 40 per cent of new finance last year went to consumers and only 60 per cent was corporate.

For the second year running there was no growth in the amount of new credit extended to business customers. But that excludes leasing, which grew by 26.3 per cent to £1.963bn. The overall corporate market grew by 12.3 per cent (£3.706bn). After adjustment for membership changes, the growth rate is 6.5 per cent.

Research group privatised

BY MARK WEBSTER

THE Hydraulics Research Station yesterday became a private company as part of Government plans to transfer some research facilities away from Civil Service control.

It will now be known as HRS and the Government is seeking professional institutions, such as the Institution of Civil Engineers, to act as guarantors for the company.

The Oxfordshire-based station was previously under the control of the Environment Department. The Ministry said the research station was a non-profit making organisation which had been transferred to private control as a means of encouraging it to respond more to private sector needs.

At present, about 25 per cent of its annual funding comes from the Environment Department but it also does work for other ministries and the private sector.

The Ministry will pay HRS grants of £2.5m for 1982-83 with a further £1.1m in working capital. Thereafter, it expects to give about £1.6m a year in assistance.

About £15m worth of assets including building and equipment will be transferred to the new company.

More banks recognised

BY OUR BANKING CORRESPONDENT

THE BANK of England has added PKB Investments, the London branch of a leading Nordic bank, and N. V. Slavenburg's Bank, a top Dutch commercial bank, to its list of recognised banks.

PKB Investments announced yesterday that it was increasing its share capital by £2.5m to £12.5m and changing its name to PK Christiania Bank (UK). This follows the acquisition of a 50 per cent stake in the London operation by Christiania Bank, Norway's second largest.

PK Banken is Sweden's only state-owned bank and is one of the country's biggest commercial banks.

In January the two announced that they were going to co-operate internationally in establishing jointly-owned banks in London, Singapore and Hong Kong. The two banks will form a new bank in Singapore. Christiania Bank is to take a half share in PK Banken's existing Hong Kong operation.

N. V. Slavenburg's Bank has been represented in London since 1980 when it bought Schlesinger, a private bank with £36.1m on the balance sheet. Credit Lyonnais, the state-run French bank owns 78 per cent of the Dutch parent.

Dow Scandia Banking Corporation has been deleted from the recognised banks' list, following its merger into Arbuthnot Latham. Merchant Banking (N.I.) has been deleted from the list of licensed deposit takers. At April 1 the Bank of England's list covers 294 recognised banks and 297 licensed deposit takers.

Consortium takes over Lovable

BY BELINDA NENK

A NEW company, Modewear, has taken over the Lovable Bra company and will market under the Lovable name throughout the UK, the Middle East, Scandinavia and several other European and Mediterranean countries. The company went into receivership last October.

A consortium of businessmen, including two former Lovable directors and some of the work-force, won backing from the Royal Bank of Scotland and two other financial institutions two weeks ago.

Mr Arthur Garson, the chairman of the multi-national corporation Lovable International, yesterday met the woman who helped to save the company's manufacturing plant at Cumbernauld, Scotland, from closing.

Mrs Sadie Lang led the workers in locking the factory gates so that the receiver could not remove valuable stock. Because the stock was intact, the Royal Bank of Scotland injected £450,000 into the new company, with the Scottish Development Agency and the Industrial and Commercial Finance Corporation each investing £200,000 for shares and in loans. The Scottish Economic Planning Department has also supported the venture, with the balance of the working capital coming from the work-force and the consortium.

Speaking in London yesterday, Mr Garson said: "It is most unusual for the head of a company to appreciate a sit-in. Mrs Lang performed a wonderful service but, looking back, we will also thank the receivers for closing down the old company."

Mr Bernard Garner, chairman and managing director of the new business, said: "Two critical factors have put the new company on a sound footing. The speed and professionalism of the Royal Bank of Scotland and the other financial institutions, and the dedication and extraordinary determination of the work-force."

Navy orders Oxford monitoring system

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NAVY has chosen a British system of microprocessors to monitor the new pressurised water reactor (PWR) it is building in Scotland.

The new reactor, called PWR 2, is destined for Britain's Trident submarines as well as future generations of hunter-killer submarines.

Oxford Automation announced yesterday a £200,000 order for a monitoring system for PWR 2, based on 10 of its System 86 scanners.

System 86, developed at a cost estimated by Mr Berrie Marsden, group managing director, at £500,000, uses Intel 8086 16-bit microprocessors and a high-speed data highway together with software written by Oxford Automation.

The Navy contract was won from the Vickers yard of British Shipbuilders in competition with leading data processing groups for about half the price competitors were quoting, Mr Marsden said.

He said the company had sold about 30 systems, worth about £1m in total, in the past few weeks.

They included systems for a steelworks in South Africa and for a refinery in the Middle East, as well as for PWR 2, all of which were worth about £200,000.

Oxford Automation is the newest divsion of Oxford Instruments, the Oxford-based company which originally sprang from new technology at the Clarendon Laboratory, Oxford, to grow into a group with a £20m annual turnover.

Mr Marsden said its new development in microprocessor control had been funded mainly from profits from its manufacture of powerful magnets for a new method of medical diagnosis called nuclear magnetic resonance (NMR). It had also received some grants for microprocessor control from the Department of Industry.

Oxford Instruments, which has a world monopoly on the vital big-magnet technology required by the NMR scanner, has orders for hopsital and medical laboratories worth about £10m.

Its automation division, however, was an attempt to insure the group against over-dependence on the health-care market, which Mr Marsden described as "a bit fickle." It represented a deliberate diversification into process control, he said.

Electricity Bill is unlikely to generate much interest

Martin Dickson looks at the future of private competition in the power industry

IT IS AN investment opportunity which at first glance has about as much appeal as a ticket on the Titanic.

Mr Nigel Lawson, the Energy Secretary, is hoping to introduce legislation in the 1982-83 parliamentary session to allow private companies to set up in direct competition with the state-run electricity supply industry. Te plan was unveiled 18-months ago by his predecessor at Energy, Mr David Howell, but the proposed timing has only just emerged.

The move follows Mr Lawson's controversial Oil and Gas (Enterprise) Bill, now before Parliament, which will allow the Government to sell off the exploration and production interests of the state-owned British Nation Oil Corporation and the North Sea oil holdings of British Gas. It will also break the gas corporation's monopoly on the sale of gas.

Mr Lawson's oil and gas legislation has been called the sale of the century. No-one will be tempted to apply such dramatic language to th eelectricity Bill, wrose practical ramifications are likely to be remarkably limited.

One reason is that existing legislation allows any company to generate electricity for its own use and sell the surplus to private customers or the national grid, provided the power business is only an offshoot of its main activity.

Many companies do produce their own power—most of them because they have to raise steam for their industrial processes anyway and can make economic use of the heat by also generating electricity.

Private generators produce about 6.5 per cent of all electricity in the UK and about 15 per cent of industry's needs. Nearly 80 per cent of power production by manufacturing industry in England and Wales is accounted for by the chemicals, paper and board and non-ferrous metal industries.

The effect of Mr Lawson's Bill will be to remove the restriction in existing legislation on generating power as a main activity. This will allow companies to set up in direct competition with the state-owned Central Electricity Generating Board, which produces power, and the area Boards, which then retail it.

But no private sector company is likely to launch into competition with the CEGB on any major scale, throwing up power stations across the country. Electricity generation is a high risk low-return investment proposition.

Building a large power station in the UK, with its extremely poor construction record on large sites, can take 10 years or more; and the capital costs for a large coal-fired plant of 2000 MW are likely to total £750m to £1bn.

Demand for electricity in the UK is static and likely to show slow growth over the next decade.

Add to this high interest rates, and the problem of matching the CEGB's economies of scale, and any investor planning a big splash into the power generation game must conclude that he faces a disaster of Titanic proportions.

Against this background, the point of the legislation appears to be twofold. First, it will be a piece of ideological tidying-up, a logical corollary to the Government's other denationalisation moves.

Mr Lawson said last week-end: "There is no case for a state monopoly in electricity. There should be increasing scope for private generation."

Second, it is possible that the legislation will aid the establishment of some small-scale generation companies, notably in the field of district heating by the combined heat and power (CHP) method.

Such schemes would involve the construction, or refurbishment, of power stations to generate some eluectricity and provide hot water which could be piped to homes and offices in the locality, and provide space heating.

Although widespread in some continental countries, CHP district heating schemes have yet to get off the ground on a significant scale in the UK.

With any new competition likely to be on this small scale, the electricity supply industry can afford to take a relaxed view of Mr Lawson's plans. Officials even say they welcome anything which would encourage the establishment of economically-viable CHP district heating schemes.

But the state industry is concerned that any competition is fair. "Will they face the same planning procedures as us?" asks one senior executive.

"Will they face the same restrictions as we do on cross-subsidising customers? Will they get cheap fuel from the National Coal Board which we end up subsidising through our huge coal purchases?"

Additional ripples of anxiety were caused by reports last weekend that Mr Lowson will ensure private sector generators can sell to the grid at a "fair" price, and that there will be changes in the terms on which private companies can buy back electricity from the grid if there is a temporary break in supplies.

The supply industry insists it already pays a fair price for any private electricity it purchases. There is concern that any changes by the Government could mean a subsidy to the private company and higher bills for the state-sector's customers.

The electricity boards purchase about 20 per cent of privately generated electricity — but 90 per cent of this comes not from the private sector but other nationalised industries, such as the NCB, and public authorities.

The price paid is based on the supply industry's avoidable costs — largely what it saves on fuel by not operating other plants. The rates paid are somewhat below those set by the CEGB because of the unpredictability and location of supplies.

This method of pricing was adopted by the industry on the recommendation of a government - appointed committee which investigated the prospects for CHP in the late 1970s.

Mr Lawson's proposal has yet to be approved by the Cabinet's legislation committee. It will be competing for parliamentary time in the last full session before the next election.

Massey Ferguson gives Coventry strikers ultimatum

BY ARTHUR SMITH, MIDLAND CORRESPONDENT

MASSEY - FERGUSON told strikers at its tractor assembly plant in Coventry yesterday that unless they end their dispute quickly, work will be transferred overseas and more jobs will be lost.

The Canadian-based multinational, in an ultimatum to the 3,300 manual workers, also threatened to withdraw offers already made of redundancy payments.

The company's tough statement follows a strike in protest at the decision to go ahead with 170 compulsory redundancies. That was the remainder of 725 jobs the company said must go to make the Coventry plant competitive. Volunteers have come forward over recent weeks to account for most of the jobs cut.

Shop stewards last night dismissed the company's warning as "part of the management's campaign of fear within the plant."

Feeling was running high among pickets manning the gates who argued the company should have accepted union offers of short time working as an alternative to compulsory redundancies.

Nearly 1,700 jobs have been lost at the Coventry factory over the past four years as the company has responded to the drop in world demand for tractors. Annual output, more than 90 per cent exported, has almost halved to around 45,000 units.

However, this will be the first time the company has had to resort to compulsory redundancies to cut its labour force.

The company insists the latest round of job cuts is caused not by falling demand but by the need to become more competitive.

Mr Harry Hebden, managing director of Massey Ferguson (UK), has warned workers that problems in world markets are so serious that unless costs can be held down the company faces the prospect of going out of business with the loss of 4,000 or more jobs in Coventry alone.

In a letter to the strikers yesterday he said that if the redundancies were not implemented and normal working resumed by Monday morning decisions would have to be taken that would mean supplying some export customers from sources other than Coventry.

Mr Hebden added that decisions to transfer machining work from other European plants to Coventry would not take place. That would result in a further loss of jobs, he said.

Serious actions would also need to be taken to "protect the cash situation." That could involve reverting to compulsory redundancy for all 450 jobs to be lost by manual workers rather than accepting volunteers.

Moss Evans warns of Employment Bill strife

By Elinor Goodman, Political Correspondent

MR MOSS EVANS, the general secretary of the Transport and General Workers' Union, warned Tory MPs last night that the Employment Bill going through the Commons would create a "legislative minefield."

He claimed it was the biggest threat to the unions since the Heath government's Industrial Relations Act, and urged MPs to stop it going further.

Mr Evans was speaking at an unprecedented meeting between the Tory members of the committee looking at the Employment Bill and the 30-strong Finance and General Purposes Committee of the TGWU and the Agricultural Workers' Union. It was arranged by Labour MP, Mr Stan Crowther. The Liberal and SDP members on the committee also attended.

The TUC has refused to discuss the Bill with the Government since it was published, so yesterday's meeting was one of the first contacts between the Government side and a senior member of the TUC general council since the Bill started its passage through the House.

Ironically, though the TUC has declined to see Mr Norman Tebbit, the Employment Secretary, he was invited to yesterday's meeting by the TGWU as a Conservative member of the committee. He did not attend.

Brian Groom looks at the bitterness of workers as protest collapses

Union routed in airport dispute

THE BRITISH working man "is rubbish. Apart from the miner, he's finished. The unions are finished. Management will trample all over them and crush them."

Those bitter words were spoken by one of British Airways' 1,700 ramp workers at London Heathrow Airport yesterday, after a mass meeting of about 1,000 of them voted to end their seven-week dispute and return to work.

Their defeat marks the culmination of one of the most embarrassing six-months in the 60-year history of the Transport and General Workers' Union, which represents the ramp staff.

Its national leaders could be forgiven if, the defeat notwithstanding, they breathe a private sigh of relief that the humiliating affair is over.

The TWGU, Britain's biggest and—it is usually said—"most powerful" union, has been having a hard time. Mr Alex Kitson, its deputy general secretary, wrote in the November issue of the union's journal: "It's high time we had a go.

"Especially on the industrial front, where the management hard-liners still regard Michael Edwardes as the new God. Up to now, there have been too few efforts to use our industrial muscle to halt the Tories."

All that would change, he implied, because of disputes involving BL workers and oil company tanker drivers, and a threatened one-day national refineries strike.

The BL workers divided and collapsed, tanker drivers in three companies overturned strike calls, and the refinery threat sank without trace.

Mr Kitson's is not necessarily a representative voice. But a pattern has emerged in which shop stewards, backed by the leadership, are rebuffed by groups of ordinary members.

The defeat marks the culmination of one of the most embarrassing six months in the 60-year history of the Transport Workers' union.

Now the ramp workers have been defeated. The dispute must have seemed like a nightmare to Mr Ron Todd, the union's likeable and sometimes emotional national organiser. After the union had given the ramp "lockout" official support on its third day, he was charged with conducting a dispute which rapidly became unwinnable.

Mr Todd told yesterday's meeting, with some justification, that they had been defeated not by BA management but by the "blacklegging" of other staff — including the union's own members — and the refusal of other workers to take supportive action.

The workers also feel defeated by BA propaganda, and by a hostile Press.

The defeat has been so calamitous, however, partly because they misjudged the mood of the times in two crucial ways. First, no employer is so strong as when his back is against the well — and BA, which is likely to have lost more than £200m this year, is clearly in that position.

Second, the dispute began when other groups of workers had already accepted sweeping changes under the airline's survival plan, which involved 9,000 job losses since September. They were not prepared to do this only to see the initiative founder—hence the "blacklegging."

The ramp workers say the dispute was not of their choosing: they were locked out when BA sought to impose the changes, and they had no option but to fight to the end. But they have lost £1,000 each and still have had to accept BA's proposals.

These include: extending their working week from 38½ to 40 hours; ending a "guaranteed earnings" or "rostered overtime" clause: increasing attendances; and working more flexibly.

One ramp worker at yesterday's meeting said: "There'll never be another strike at BA. No one will back anyone else ever again."

That may prove an over-hasty judgment, as may prognostications about the death of the labour movemen. But BA management—which insists it never set out to "take on" the ramp workers—will not be displeased if the defeat discourages further militancy.

The ramp leaders insist their members had struck for only one day in the past 12 years until this dispute. BA managers, however, privately regard them as obstructive constitutionalists who, when the twice-yearly rearrangement of schedules comes round, display an ability to argue at length about rosters which makes even the parties in the Aslef dispute look amateurish.

BA's principal gain from its victory is simple: it can implement the remaining stages of its survival plan, with the morale of some of its workforce apparently improved for having made what the "blacklegs" believe to be a major contribution to the rescue.

However, the business problems which remain for the state-owned loss-maker are considerable.

Productivity offer to save Ulster yard jobs

By John Lloyd, Labour Editor

BRITAIN'S SHIPBUILDING unions fear that the Belfast shipyard of Harland and Wolff will close because of lack of orders.

They are to put a package of productivity improvements to Mr James Prior, the Northern Ireland Secretary, at a meeting after Easter, in an effort to secure at least some of the jobs of the 7,000 workers there. The yard is likely to lose 1,000 jobs.

Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, said after a meeting of its executive yesterday that the yard was suffering a "slow death."

The yard is hoping for an order from the British Steel Corporation for a 170,000-tonne bulk carrier, a subsidy for which has been delayed. However, the CSEU believes that this order would not be enough to secure jobs.

The CSEU's shipbuilding negotiating committee spent two days in Belfast this week, and reported on its visit to the CSEU executive.

Mr Gerry Eastwood, general secretary of the Patternmakers' Union and president of the CSEU, said, "the deindustrialisation of Belfast now makes the rest of the UK look good."

Esso to cut staff at efficient refinery

BY BRIAN GROOM, LABOUR STAFF

ONE OF Britain's most efficiently staffed oil refineries is implementing further measures to increase productivity because of problems in the industry's downstream market.

Esso's refinery at Fawley, Hampshire—a leader in productivity bargaining since its pioneering agreements of the late 1960s—is to give 13-16.5 per cent increases on basic rates to 1,500 process, craft and maintenance workers.

But the company aims to reduce the refinery's total workforce of 2,200 by 15-20 per cent by natural wastage over three to four years. The refinery is running at 60 per cent of capacity, and Esso has been making general losses downstream over the past year.

The agreements mark the completion of a shift away from piecemeal bargaining and towards broader, more flexible measures. Esso believes that pay rises for improved productivity in specific jobs tended to reinforce demarcation lines.

Some 750 craft workers in both the petroleum and chemicals part of the complex agreed two weeks ago to cut out expensive "waiting time" by performing some tasks normally done by other tradesmen, provided they have the time and the ability, and that they would not be endangered.

Overtime is to be kept to a minimum and to speed up major jobs the workers have agreed they can be asked to go on to shift work for up to six weeks a year.

The workers received a £25-a-week increase in their basic pay, which rose to £9,200 a year. The 1982 pay deal gave them an extra 8 per cent from yesterday.

A similar number of process workers signed last September a deal which gave them an extra £24.80 a week. They now earn £10,600 a year, including shift differential, and begin annual pay talks today.

The increases in average earnings will not be as great as the 13-16.5 per cent rises in basic rates, because of overtime cuts, but the working week will be reduced by one hour, to 39 hours, and by another hour in January 1983.

The process workers agreed to cuts in manning levels which enabled the refinery to move on January 1 from a four- to a five-shift system. A principal aim is to cut overtime from more than 15 per cent to less than 5 per cent.

There is also to be more flexibility between jobs and in training arrangements

New peace plan for London docks studied

By Our Labour Staff

DOCKERS and management are considering a new formula aimed at ending the pay strike which has crippled the Port of London for nearly two weeks.

A conciliation panel of the National Joint Council for the Port Transport Industry yesterday made a "final" recommendation which would increase tonnage bonuses.

The loss-making Port of London Authority said it was unable to accept the proposal immediately.

The dominant Transport and General Workers' Union, representing 1,400 of the 1,800 striking dockers in the Tilbury docks general cargo area, will discuss the proposal at a mass meeting today.

The smaller National Amalgamated Stevedores and Dockers Union will hold a meeting on Monday, and is to call off picketing at riverside wharves and two container terminals.

Under the proposal, the basic offer of 5.5 per cent pay rises, with a minimum £8 a week, is unchaneed. But bonus payments would rise to 3p per tonne for the first one to eight tonnes handled in a shift, plus 8p for nine tonnes and over.

Bank clerical staff accept 8.5% pay rise

By Our Labour Staff

THE BANKING, Insurance and Finance Union yesterday accepted the English clearing banks' final offer to clerical staff of an 8.5 per cent pay rise and improved holidays.

The settlement, which affects 170,000 clerks in England and Wales, will be implemented as from yesterday. It will give rises of between £219 and £658 a year. It also adds 8.5 per cent to the minimum managerial salary, which was previously £10,283.

The union said new pay ranges for clerks would be: grade one £2,788-£4,195; grade two £3,531-£6,098; grade three £4,995-£7,283; grade four £5,912-£8,401.

The offer was accepted by 78 per cent of those voting in a postal ballot of Bifu's 70,000 clerical and managerial members in the five clearers. The alternative of a one-day strike, followed by other strikes, was rejected.

The offer has been accepted without a ballot by the rival, non-TUC-affiliated Clearing Bank Union. Bifu's acceptance makes this one of the quickest and quietest bank pay negotiations in recent years.

Walkout hits rail station

BY OUR LABOUR EDITOR

DRIVERS, guards and signalmen based at Kings Cross station walked out at midday yesterday in protest over the disciplining of a driver.

It is understood that the driver suspended is Mr Steven Forey, a branch secretary of the train drivers' union Aslef, who led the opposition to handling the Sun newspaper during the train drivers' strikes earlier this year.

Mr Forey has been reported as saying that he had been suspended by the area manager and that the strike would continue until his next rostered turn at 8 am today. Further action is likely if his suspension is repeated.

British Rail confirmed that a driver had been disciplined, but would give no further details.

Services to and from the station came to a complete halt for two hours in the early afternoon. However, BR was able to run most inter-city services and some outer suburban services, once the signalmen returned to work.

However, inner suburban services from Kings Cross and Moorgate were almost closed.

UK NEWS—PARLIAMENT and POLITICS

Cabinet backs Prior plan for Ulster

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE CABINET yesterday approved Mr James Prior's plans to restore devolved government to Northern Ireland if and when Catholic and Unionist politicians can agree on a mutually acceptable form of administration.

The Northern Ireland Secretary will present his White Paper to the Commons on Monday, and his Bill amending the 1973 Northern Ireland Constitution Act will get its First Reading later in the week.

Yesterday's decision commits the Government to establishing the legal framework for devolution during the current session of parliament. It does not, however, commit the Government to transferring power, and few ministers hold out much hope of any real progress during the life of the current parliament.

While all the main political parties in the province appear ready to contest elections for the proposed assembly, expected to be held in the first fortnight of October, none has a good word for the overall plan.

The package is being described in Westminster as a "do-it-yourself devolution kit," providing for the transfer of power when a qualified majority in the assembly, including Catholics and Unionists, agrees on which powers should be transferred and who should hold the relevant portfolios.

But it attempts no more than to establish the ground rules for the hoped for horse-trading. It rules out the possibility of any return to Unionist majority Government without minority consent, and for the first time recognises the legitimate rights of the Irish Government to take an interest in the affairs of the minority.

The Government is confident of getting the Bill through Parliament, despite a pocket of hard-line resistance on the Tory back benches, but appears distinctly edgy over the amount of time this may take.

As with all constitutional Bills, the Committee stage will have to be taken on the floor of the House, providing ample opportunity for constitutional experts such as Mr Enoch Powell to demonstrate their opposition by filibustering.

Mr Prior leaving No. 10 Downing Street after the Cabinet meeting yesterday

For this reason, the Bill has been pruned to a concise seven clauses.

The White Paper is expected to generate much more controversy because it represents a radical shift in the Government's perception of the Irish context of devolution, and the legitimacy of nationalist aspirations to Irish reunification.

The White Paper appears to have been toned down considerably since the first preliminary drafts appeared several months ago, but is understood to be essentially the same as the paper submitted to the Cabinet's overseas and defence committee last week.

At that meeting the Prime Minister rejected several parts of the paper and demanded that they be watered down. However, it is understood that while certain of the "greener" sentences in the paper have been reworded or rearranged, nothing of substance has been lost.

In drawing up his plans, Mr Prior appears to have set limited goals and will probably not consider the initiative a failure if it leads to no progress within the next two years.

MPs renew pressure on scrutiny of state sector

By Peter Riddell, Political Editor

BACK BENCHERS are intensifying pressure on the Government for greater financial accountability to parliament of the whole public sector.

This follows a motion signed by 287 back benchers and yesterday's report from the all party Treasury and Civil Service committee recommending access by the Comptroller and Auditor General to the books of all bodies in receipt of public funds.

Mr Edward Du Cann, the chairman of the committee, raised the question in the Commons yesterday and pressed for an early statement.

Replying Mr Francis Pym, the Leader of the Commons, said the Government would respond fully and hoped that progress would soon be made.

The Government is in an acute dilemma over what has become a difficult issue of reconciling the demands of a powerful group of back benchers with the resistance of some senior ministers to any undermining of the principle of direct ministerial responsibility for nationalised industries.

Such industries would be undermined if the Comptroller was allowed to probe into their affairs some ministers believe

Talks have been going on behind the scenes at Westminster but there are still no signs of willingness on the part of the back benchers to compromise.

A key test will come Monday when a motion proposed by Mr Du Cann and Mr Joel Barnett, the chairman of the public accounts committee, to allow the Comptroller access to the Audit Commission for local authorities, will be considered on the report stage of the Local Government Finance Bill.

French defence liaison talks

By Bridget Bloom,

CLOSER co-operation between the British and French defence industries was discussed in London yesterday between Mr John Nott, Defence Secretary, and M Charles Hernu, his French counterpart.

The three-hour meeting, the first between the two ministers, covered a wide range of subjects including the role of the British and French nuclear deterrents.

Commons Sketch

Outbreak of colour blindness afflicts House

WITH THE steady increase in the number of Social Democrat MPs, Mrs Thatcher and Tory backbenchers decided yesterday that the time had come to look for the silver lining and emphasise the good news on the economic front.

Naturally, this met with great scepticism from Labour MPs, who were determined to believe that—in the words of the old Noel Coward song—bad times are just around the corner and all the skies above are grey.

Mr Michael Meacher, one of Mr Tony Benn's acolytes, claimed that the Prime Minister had misled the House last week when she said personal disposable incomes were higher now than under the Labour government.

He maintaintd that living standards under Labour had risen by 13 per cent and fallen by 5 per cent under the Conservatives.

Mrs Thatcher, in rampant mood following her battles with the French in Brussels, was having none of this. In the last quarter of 1979, she said, real disposable incomes were 109.8 on the index while by the last quarter of 1981 they had risen to 111.5.

It was soon clear that the real answer depended on which figures you chose. As the Prime Minister explained, there are many different statistics using different methods of calculation.

She received unexpected assistance from Mr Nicholas Winterton (Con, Macclesfield), an independently-minded fellow who has often criticised Government economic policy. He reminded her that a Mori opinion poll published yesterday showed increasing public optimism about the economy, growing support for the Government, and for Mrs Thatcher in particular.

"Get up off yer knees," jeered Labour MPs at the deferential tone of Mr Winterton's question.

They clearly felt that any poll producing such a result must have been part of an April Fool's Day joke. Mr Winterton conveniently failed to mention that the questioning for the poll took place before the result of the Hillhead by-election was known.

The Prime Minister, however, seemed only too eager to share in the euphoria. "Long may the polls continue to go in that direction," she replied.

There was also a somewhat frezied attempt by the Conservatives to drive a wedge between the SDP and their Liberal allies.

Mr Toby Jessell (Con, Twickenham) recalled that the Liberals were opposed to an independent nuclear deterrent while the Social Democrats were in favour of it. He wondered what the public would make of this should the Alliance hold the balance of power after the next general election — a prospect which brought horrified shouts of "No, no" from the Tory benches.

The tone of the argument later plunged to the personal level with the intervention of Labour veteran Mr Arthur Lewis. He called on Mr Francis Pym, Leader of the House, to arrange for a Government statement about a newspaper report that Mr Roy Jenkins' wife Jennifer was to be appointed to a £25,000 a year job with a new government quango.

"The taxpayer does not like to hear this sort of thing," declared Mr Lewis sententiously.

Labour left wingers gasped in mock indignation at the horrifying nature of this revalutation. Mr Jenkins, sitting a few feet from Mr Lewis, remained unmoved.

The next MP on his feet was that keeper of the Tory conscience, Mr John Stokes (Con Halesowen and Stourbridge). One of his favourite themes has been the need for the wives of wealthy men to give up their jobs in order to make work for others.

But on this occasion he was protesting at the imposition of VAT on gold coins. He could not care less about a tax on foreign coins such as the Krugerrand, but to impose it on the British gold sovereign was, he blurted, quite without precedence.

Mrs Thatcher may well reflect that while this old-fashioned brand of Conservative patriotism still flourishes the party has nothing to fear from the opinion polls.

John Hunt

Two classes of Labour member 'created by poll'

By Our Political Correspondent

TWO CLASSES of Labour Party member were created as a result of the election for the Labour deputy leadership last September, one able to vote, and the other disenfranchised unless he or she was a member of a local general management committee.

An article by Mr Frank Field, the MP for Birkenhead, and Mr David Cowling in the latest issue of Labour Weekly, draws from the evidence of 49 constituencies to show that some adopted a one person-one vote procedure, others had branch ballots and others had mass meetings.

In general: "It is true that the wider the franchise the more likely it was that Mr Denis Healey emerged as winner, but this was not always so.

"Likewise, Mr Tony Benn was more likely to be the victor if the franchise was limited to those attending branch meetings.

Mr Field and Mr Cowling argue that the procedures show the need for careful guidelines by the national executive on the eligibility to vote, the nature of counting, the timetable for voting, and the openness of the methods.

Top civil servant's Energy Bill speech provokes Commons row

BY IVOR OWEN

SIR DONALD MAITLAND, the top civil servant at the Department of Energy, was at the centre of a political storm in the Commons last night over a speech he made last week to the Institute of Directors in Edinburgh.

Mr Merlyn Rees, Labour's shadow Energy Minister, protested that the speech contained information about Government policies which the Opposition had been unable to obtain from Ministers during the passage of the controversial Oil and Gas (Enterprise) Bill.

He explained that Sir Donald, permanent under-secretary of State at the Energy Department, had dealt with the implications of the Bill's privatisation provisions for the development of gas reserves in the North Sea.

In doing so he had spoken of the possibility of the impetus for new development leading to the discovery of large volumes of new gas, providing a reserve base large enough to support some exports as well as meeting the needs of consumers in the UK.

Mr Rees said Labour MPs had tried in vain to discover the Government's intentions about gas exports because of their anxiety about the implications for existing depletion policy.

There were protests from the Government benches when he claimed that Sir Donald's speech had been of such a character that it could have been circulated by the Conservative Central Office.

Mr Nigel Lawson, the Energy Secretary, insisted that Sir Donald had done no more than to set out Government policy clearly and fairly.

"Not only is he perfectly entitled to do that," he declared, "but there are many precedents."

While Labour MPs called on the Minister to quote a single precedent, Mr Rees contended that such a speech would not have been made by a permanent secretary at one of the older Whitehall departments.

He expressed surprise that the Government should have chosen the so-called "golden" or single share method of ensuring the power to prevent control of Brit-oil passing into unacceptable hands, and argued that it was a device which a future Labour Government might employ when undertaking future de-privatisation measures.

Lawson rejects MPs' attack on coal exports

By Martin Dickson, Energy Correspondent

THE GOVERNMENT yesterday rejected claims by the Commons select committee on energy that National Coal Board exports help subsidise Britain's industrial competitors.

The committee made the accusation last month in a report which strongly criticised the Energy Department's handling last year of a £231m rescue package for the NCB, which allowed the board to keep open more than 20 pits faced with closure.

Mr Nigel Lawson, the Energy Secretary, replied yesterday with a memorandum accusing the committee of inaccuracy and misconception.

He said that what mattered was the delivered price of coal, not the NCB's net realisations. The delivered price of Board coal to foreign buyers was similar to or higher than that paid by purchasers in the UK. The NCB's export prices were set by world competition and there was no evidence of dumping.

Mr Lawson also rejected the committee's accusation that in giving the NCB additional aid the Government had "simply handed the money over without troubling to ask too many awkward questions."

The Minister said the new external finance limit, or borrowing ceiling of £1,117m, set by the Government for 1981-82 had been very demanding.

He revealed that the Board had failed to meet the new limit. He did not spell out by how much it had overshot, but said the Government was satisfield it would have met the limit but for the recent rail strike.

Lloyd's Bill debated by Lords

BY JOHN MOORE, CITY CORRESPONDENT

THE Lloyd's Bill for improving the insurance market's self-regulation came before the House of Lords for a Second Reading debate yesterday.

Lord Lloyd of Kilgerran asked the House to instruct the Lords select committee which will review the Bill later to consider a clause in the legislation giving Lloyd's ruling council legal protection from suits for damages by Lloyd's members.

Lord Wigoder moved another instruction to the committee asking it to consider carefully a clause in the Bill which requires Lloyd's brokers to sell their shareholding links with underwriting agents, the groups which run Lloyd's underwriting syndicates. He asked the committee to study the effects such a move would have on the Lloyd's community and on the insuring public.

Lord Windlesham, promoting the Bill for Lloyd's, said the immunity clause protecting the council from suits for damages by Lloyd's members had not been "lightly included in the Bill."

But he warned that recent events had shown that it is difficult for Lloyd's to obtain audit certificates in the event of legal action by its members, or a global certificate of solvency.

Lord Mischcon said the immunity clause did seem to be "innovatory in some ways" and questioned whether it was wrongly innovatory that any institution should have immunity from suit. He said he was sure that the select committee of the House would examine whether this clause is worded too widely or not. He concluded that at the end of the day it was a question of balance."

On behalf of the Opposition, said Lord Mischcon, "we are in support of the Bill."

Lord Strathalmond said in a maiden speech that he worked at Lloyd's for an underwriting agency. He said the new divestment clause would require brokers to sell their shareholding links with managing agents at Lloyd's, the groups which run underwriting syndicates, but not the members' agents, the groups which introduce members to Lloyd's syndicates. It did not appear to him that the clause went far enough.

He argued that the same conflicts of interest will exist if brokers are to be allowed to own members' agencies.

He questioned whether the divestment clause was necessary, when it related only to one type of agent.

The Bill was given a Second Reading. Both instructions were accepted.

'Private work' Ordnance plan

THE GOVERNMENT is considering plans to give the Royal Ordnance factories private work, the Prime Minister reaffirmed yesterday. But she said progress was slow on privatisation.

Co-op Party conference to discuss Labour link

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

THE SDP has failed to have the Co-operative movement's link with the Labour Party placed on the agenda of the Co-operative Congress, the movement's overall policy-making body. But the state of the Labour Party could still be a major issue at next week's conference of the Co-operative Party, the movement's political wing.

The Liverpool Co-op Party has a motion on the conference agenda expressing concern at the "ultra-left" drift within the Labour Party and calling for the Co-op's national executive committee to prepare a report on whether "a political realignment is necessary."

It has also put down an amendment to a motion opposing all political "witch hunts" stating that membership of the "Militant Trotskyist Party" is incompatible with membership of the Co-operative Party.

Militant is particularly strong in Liverpool.

The main Liverpool motion seems likely to be defeated, if it is debated. Six other motions have been submitted reaffirming the Co-op's link with the Labour Party. But the debate could expose concern about the Labour Party in some sections of the Co-op.

The Co-op is an integral part of the Labour movement, with links going back more than 50 years. The Co-operative Union, which embraces all the movement's various strands, is a partner with the TUC and Labour in the National Council of Labour, while the Co-op Party sponsors up to 30 parliamentary candidates, and is a valuable source of funds for Labour.

But its relations with Labour have been strained by the formation of the SDP. Four Co-op-sponsored MPs quit Labour for the SDP, and since their defection they have been trying to drive a wedge between the Co-op and Labour.

Next week in parliament

COMMONS

Monday: remaining stages, Local Goverment Finance (No 2) Bill and Reserve Forces Bill (Lords).

Tuesday: Finance Bill, Second Reading.

Wednesday: debate on reports from Committee of Public Accounts, Tees and Hartlepool Port Authority Bill.

LORDS

Monday: Local Government (Miscellaneous Provisions) Bill, Committee, Antiquities Bill, Third Reading: Transport (London) (Amendment) Bill; Second Reading: debates on move to revoke the British Nationality (Amendment) Regulations, and on the arts in schools.

Tuesday: Coal Industry Bill, Third Reading; Social Security and Housing Benefits Bill, Second Reading: Industrial Relations (Northern Ireland) Order; Administration of Justice Bill, Committee, short debate on European Collaboration on the A320 airbus.

Wednesday: Inter-governmental Maritime Consultative Organisation (Immunities and Privileges) (Amendment) Order: Legal Aid Bill Report, European Communities (Definition of Treaties) (International Railway Tariffs Agreements) Order: British Railways Board amendment Order; Valuation (Scotland) Order: Deer (Amendment) (Scotland) Bill, Third Reading: debate on Poland and Helsinki Declaration.

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TECHNOLOGY
EDITED BY ALAN CANE

IBM pins its faith on water cooling

BY ALAN CANE

IBM THIS week announced three new computers in what most observers agree is its new technology super range, the 308X series.

The new machines, the 3083 models E, B and J are powerful machines fitting between its intermediate models and its top-of-the-line 3081 dual processor. What makes this week's announcement specially interesting is the clear commitment to water cooling that it implies.

The three models are based on what IBM calls "thermal module technology," which was the most interesting feature of the 3081 when it was announced two years ago.

IBM is clearly saying that it is so pleased with the success of this technology in the 3081 that it is basing its smaller processors on it as well.

It is another stage in the continuing computer industry debate over whether large machines are best cooled by water or by air.

Computers these days are built out of thousands of microprocessor and memory chips crammed together as close as possible to reduce the distance electronic signals have to travel.

At the speed of these big machines, the time taken for a pulse of electricity to travel from one chip to the next can significantly affect the rate of computation.

But processor chips give off heat and the heat can build up to damaging levels quickly if chips are close together. IBM has traditionally water cooled its computers being prepared to pay the price of elaborate and expensive cooling systems for the security of a relatively risk-free solution.

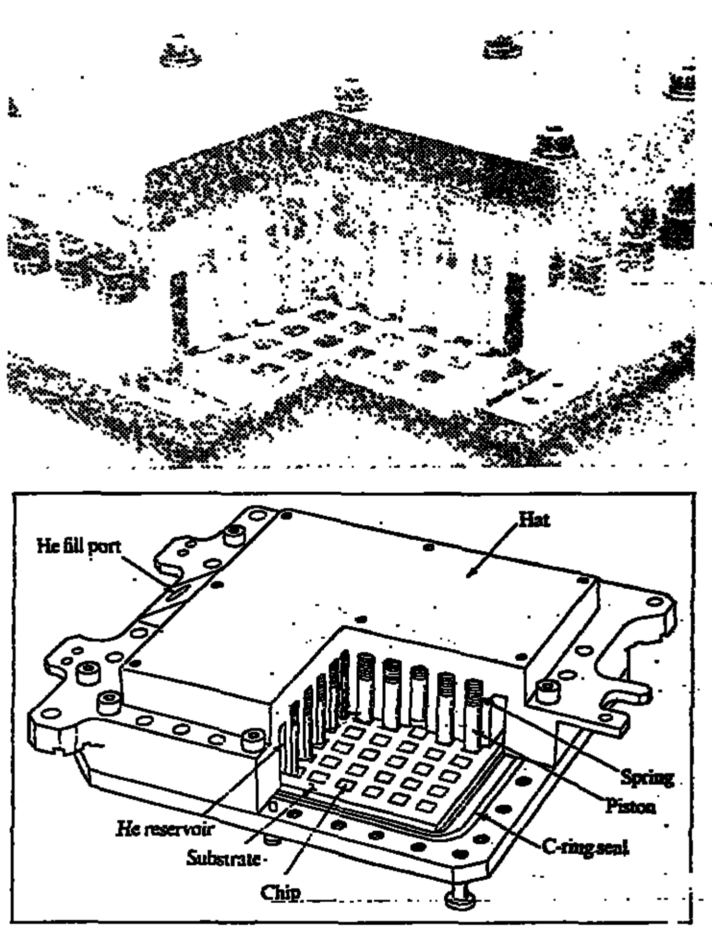
Mr Gene Amdahl, formerly a top IBM designer who established the first successful IBM-plug-compatible computer company in the early 1970s, believed he could air cool his chips and, in his large Amdahl machines—which were superior in terms of performance to IBMs—proved he was right. He fitted his chips with a finned metal cap and blew air over them. This technology now distinguishes Amdahl machines and the large Japanese computers.

IBM's answer was the 308X series—but it stayed with water cooling. It developed modules in which the chips, 118 at a time, were mounted on a ceramic substrate and sealed into helium filled units. On top of each chip rested a metal spring loaded piston which channelled heat to the outside of the sealed module. The outside of the unit was kept cool with chilled water.

IBM is very excited about this technology. In the January 1982 issue of its *Journal of Research and Development*, several articles dealt with the advantages conferred by the thermal conduction module approach.

Mr Sevgin Oktay and Mr Herbert Kammerer of IBM, for example, point out: "The thermal conduction module cooling concept is thermally superior to its liquid encapsulated module predecessor, offering the cooling capability required for current and projected circuit and chip technologies."

So it seems that IBM believes that TCM technology will be its path for the future. The largest of the new machines, the 3083 J is field upgradeable to give the performance of the fastest of the IBMs big range the 3081 K which processes instructions at the rate of almost 15m a second. (By comparison, a medium to large company would be able to carry out most of its data processing adequately with a computer processing instructions at only 1m a second.)



IBM's thermal conduction module showing pistons top, detail of the module, bottom

According to IBM the model E can be upgraded to a model B and the model B to the model J on a customer's premises in less than a day.

Prices for the new range of processors range from £825,989 for the entry level model E to £2,073,173 for the model J.

The new machines operate in IBMs earlier System/370 mode as well as its newer extended architecture mode (370-XA). The company is providing a new software aid VM/XA migration aid to assist customers in the installation and testing of ...

According to Mr Robert Fertig, a consultant specialising in IBM: "The impact of XA on users of the earlier 370s is currently minimal.

"By 1983-84, I believe that the full advantages of XA in terms of performance, increases, functional capability, input/output bandwidth increase, reliability improvements, multiprocessing capability, main storage capacity usage, and IBM support will be too much to resist.

"Many customers, including some plug compatible clients, will jump on the H-series bandwagon at that time."

Mr Fertig's report, *IBM E and H series Update and Analysis*, is available from IPI, 134, Holland Park Avenue, London, W11; price £485.

Mr Fertig agrees that the thermal conduction module is the building block for all IBM's big machines of the future. "I believe that IBM has only had to develop two TCM types to cover the entire 3.5m to 27m instructions a second range."

Of the air/water cooling battle he notes: "While some competitors, in particular the major Japanese firms, have achieved equal or even greater circuit densities and speeds, most cannot match IBM's packaging advantages. Without a TCM or equivalent, the raw chip level speeds are not as effective at systems level and reliability/availability may not match IBM's standard."

Mark Newham reports a remarkable advance in solar cell science

Sohio stake in cheap solar power

SOLAR ELECTRICITY will be as cheap as power from fossil fuel and nuclear power plants before the end of the decade, according to U.S.-based energy technology company Energy Conversion Devices (ECD).

To substantiate its point, ECD has built a machine capable of producing solar (photovoltaic) cells at a rate of up to three million watts (3MW) a year. The machine will soon be on line at ECD's Troy, Michigan plant turning out foot-square sheets of the company's fluorinated amorphous (non-crystalline) silicon alloy photovoltaic cells.

The cells will have the highest sunlight-to-electricity conversion rate ever achieved by commercial amorphous silicon photovoltaic devices. ECD recently announced conversion efficiencies of 8.2 per cent.

The company has concentrated on amorphous silicon (as opposed to crystalline silicon cells developed by a number of other companies in the photovoltaics field) as it is cheaper and easier to make because it can be laid down in large areas of thin film in a continuous process.

Crystalline silicon cells, in contrast, have to be sawn from a silicon ingot by hand but are at present more efficient than amorphous silicon cells in turning sunlight into electricity.

However, ECD's experiments suggest that an amorphous cell with a 20 per cent conversion efficiency will be possible in the near future.

Although the company has been working on solar and other novel energy generating devices for the past 20 years, it has only recently reached the stage of mass solar cell production.

Bringing its solar technology to commercial viability has been expensive and to fund the research, ECD accepted financial input from Standard Oil of Ohio (Sohio) *in which British Petroleum* has a 53 per cent stake.

Last year, Sohio signed a phased deal worth up to US$80m with ECD to set up a joint venture to further the commercialisation of ECD's solar technologies. Sohio has already contributed US$11m to support the ECD photovoltaics programme and may later invest a further US$65m to build a photovoltaic cell production plant with ECD in the U.S. to produce 100 to 200 MW of cells annually.

Under the terms of the agreement, Sohio may also take a minority stake in ECD but ECD will continue to hold the majority share in the partnership controlling world rights to the ECD photovoltaic technology. Details from Ben Ovshinsky, ECD's international representative on 01-223 4257.

'Electronic paintbox' for graphic artists

A QUICK WAY of producing colour drawings and charts on a television screen has been developed by Logica, the UK software and telecommunications company.

The system, called Flair, is simply an electronic paintbox which allows an artist to paint or draw on a television screen without having to learn to operate a computer.

All the artist has to do is sit in front of a drawing board and draw over the surface using an electronic stylus. As he does so images appear before him on the television monitor.

It has application in the world of television where graphics artists are faced with the problem of producing illustrations at short notice for news and current affairs programmes.

In fact, the BBC was the first customer for the Flair system of which 10 have been built and four sold.

According to Mr Andrew Karney, deputy manager of the communications group at Logica, Flair has potential in the business world such as producing slides and illustrations in large companies for in house reports or company brochures.

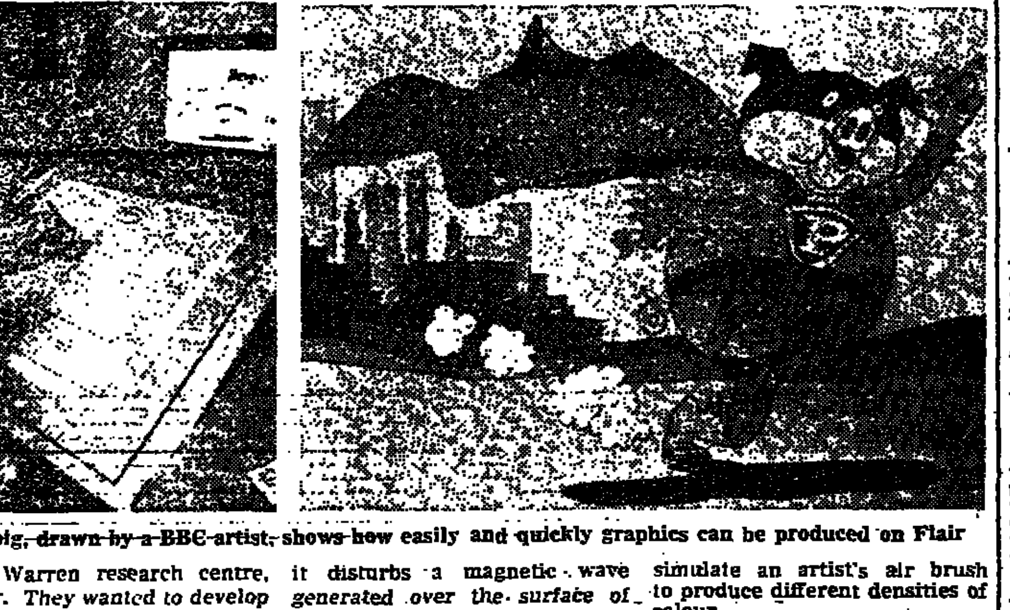
Commercial artists working in the advertising field could also benefit.

Computer graphics techniques have been available for some time but, generally, they have been extremely expensive because either they require very powerful computing systems or they have required very detailed knowledge of computers to operate them.

The system which costs between £30,000 and £50,000 is claimed to be one of the cheapest on the market for this type of application.

Logica spent £250,000 to develop Flair over a period of about two and a-half years.

It was developed from an idea by BBC engineers at the Kingswood Warren research centre, Surrey. They wanted to develop a system which could generate maps, charts and other illustrations within a few seconds for news broadcasts.



Batpig, drawn by a BBC artist, shows how easily and quickly graphics can be produced on Flair

At the heart of the system is a microprocessor which has access to 64k byte of memory for graphic storage. Each picture frame is split into 768 picture elements — pixels — in each of 576 television lines.

The position of the stylus is identified by the way in which it disturbs a magnetic wave generated over the surface of the drawing board or tablet, as it is called.

The position of each picture element and the colour in which it is to appear on the screen is stored as an eight bit digital code in the computer's memory.

The same stylus can represent a host of different brushes and pens. It can imitate an italic nib or a variety of special effects. When used for shading, the stylus can be made to simulate an artist's air brush to produce different densities of colour.

In fact, there are 256 different colours to choose from, as well as the ability to blend combinations to create new shades.

Words can be added to the picture and moved to any part of the screen at will. Straight lines, circuits and other geometric shapes can be created simply by specifying the key points such as the centre and radius and the computer fills in the rest of the details.

How to cut the cost of designing pcb's

MICROGRAPHICS of Crawley, Surrey, claims to have a computer which can cut the cost of designing printed circuits on which transistors and other electronic components are connected together.

The company says that the machine can be operated without any previous computer experience, and printed circuit board designs can be prepared within a month.

The system costing £17,500, is aimed at a wide range of users from manufacturers of appliances and machinery developing just a few design a year to electronics specialists who need to get their products quickly onto the market.

The computer itself has a twin disc memory, visual display unit and a digital plotter to produce the artwork. More information on 0295 57371.

FT COMMERCIAL LAW REPORTS

Lloyd's standard policy not always English law

AMIN RASHEED SHIPPING CORPORATION v KUWAIT INSURANCE COMPANY

Queen's Bench Division (Commercial Court): Mr Justice Bingham: March 30, 1982

AN ENGLISH standard form of insurance policy is not in itself evidence of the parties' intention that English law should be the proper law of the contract if the form is so widely used throughout the world as to acquire an international character, and if other features of the contract point to a closer connection with a foreign law or to the parties' intention that a foreign law should be the proper law.

Mr Justice Bingham so held when setting aside an order made *ex parte* by which leave was granted to Amin Rasheed Shipping Corporation, shipowners, to serve proceedings in Kuwait on Kuwait Insurance Company, insurers.

Order 11 rule 1 of the Rules of the Supreme Court provide: "(1) . . . service of a writ out of the jurisdiction is permissible with the leave of the court . . . (f) if the action . . . is brought . . . to enforce . . . a contract . . . which . . . (iii) is by its terms, or by implication, governed by English law . . ."

* * *

HIS LORDSHIP said that the shipowners, a Liberian corporation, owned a small cargo vessel named the Al-Wahab. On February 28 1980, the vessel entered Ras Al Khafji, a port in Saudi Arabia just south of Kuwait. The Master and crew were seized by the Saudi Arabian authorities and imprisoned. The crew and the Master were later released.

The vessel remained where it was, with no crew on board, apparently confiscated.

She was insured against marine and war risks for 12 months from April 29 1979, the policy having been issued and signed in Kuwait. The owners twice gave notice of abandonment to the insurers. On each occasion the insurers rejected the notice.

Leave was granted to the owners under RSC Order 11 rule 1 to serve proceedings on the insurers in Kuwait. The insurers sought to set aside that order on the ground, *inter alia*, that the court had no jurisdiction to give leave for such service. It was contended that Kuwait, and not England, was the appropriate forum for trial of the action.

The text of the policy followed very closely the language of the statutory form of English marine policy contained in Schedule 1 to the Marine Insurance Act 1906, also known as the Lloyd's Standard Marine Policy, or the Lloyd's SG [ships and goods] Policy. The old language was reproduced. It was the traditional language of the London marine insurance market.

There were, however, differences between the English statutory policy and the present. The former was a policy on ships and goods, whereas the latter was a hull policy only. Under the statutory policy, there was no stipulation as to where claims should be payable, whereas the present policy provided that they should be paid in Kuwait. The statutory policy showed London as the place of issue, whereas the present policy had a blank into which Kuwait had been typed. It also omitted words relating to Lombard Street and the Royal Exchange in London which were contained in the statutory form.

So the present policy, while borrowing heavily from the English statutory form, had not adopted that form in its entirety.

In determining the proper law of a contract which contained no express choice of law, the court's task was to ascertain the intention of the parties from the terms and nature of the contract and the general circumstances of the case, and if no intention could be inferred, to identify the system of law with which the transaction had its closest and most real connection.

In the case of insurance contracts, some significance attached to the place of performance, which was the place of payment. Significance might also attach to the place where the underwriter carried on business, even if some elements of the contract were to be determined by a specified different law.

Applying those principles, Mr Hamilton, for the insurers, relied on the fact that they were incorporated and had their head office in Kuwait; that they made and issued the policy in Kuwait, and that they provided for claims to be payable in Kuwait. Those were important pointers towards Kuwait.

Mr Ross-Munro, for the owners, relied on the fact that the parties had entered into a traditional standard Lloyd's policy, the form of which had existed for hundreds of years, the language of which had been interpreted in numerous English authorities, and which had itself received statutory recognition in the Marine Insurance Act 1906. He said that strongly indicated that the parties intended their obligations to be judged by the English law system.

The use of an English standard form might be a powerful, even a conclusive, indication that the parties intended to contract with reference to English law, but there was a factor in the present case which could not be ignored in assessing whether that inference should be drawn, and if so how strongly.

That was that the Lloyd's standard form, produced and developed in the London market, had achieved a world-wide currency, and was in regular use in far corners of the globe. In Kuwait itself the form had been used since insurance companies were first set up 20 years previously.

Frequently the wording of a policy remained substantially the same as it was in the Schedule to the Act, and with no express choice of jurisdiction, but subject to the deletion of the words relating to Lombard Street and the Royal Exchange. Sometimes the text was translated, sometimes, as in the present case, it was not.

The form was part of the lingua franca of international marine insurance. His Lordship would be slow to draw the inference that by using the common currency of international insurance, parties should be taken to intend to subject their contract to English law or to establish a close and real connection with England.

Mr Ross-Munro's second argument was that at the date of the policy in April 1979, which was the date for determining the proper law, there was in effect no system of law of marine insurance in Kuwait by which the parties' rights under the policy could be determined.

No enacted law of marine insurance came into effect until August 1980, but that did not mean that there was no law before. The Kuwaiti Commercial Code had been in force since 1961, and covered in a general way the whole field of contract.

It provided that in the absence of a specific law the judge might decide according to custom, whether local or general. Even without that provision, there was no doubt that a Kuwaiti judge, like any other, faced with a question of construction on which domestic authority was lacking, would seek assistance from any jurisdiction in which there was helpful authority.

There was no reason why the Kuwaiti courts should encounter difficulty in giving the present policy its correct commercial interpretation.

The Kuwaiti features of the policy heavily out-weighed in significance the English, but now international, features of the policy. The proper law of the contract was accordingly Kuwaiti.

It followed that the court had no jurisdiction to order service on the insurers in Kuwait under RSC order 11 rule 1, and the insurers were entitled to the order sought.

For the shipowners: Colin Ross-Munro QC and Barbara Dohmann (Constant and Constant).
For the insurers: Adrian Hamilton QC and John Thomas (Ince and Company).

By Rachel Davies
Barrister

RACING

BY DOMINIC WIGAN

ROYAL VULCAN, who finished a disappointing fourth under John Francome in the Daily Express Triumph Hurdle at Cheltenham, should gain some valuable compensation at Aintree today.

Neville Callaghan's Newmarket trained hurdler, who was produced far too late after travelling well throughout in the hands of an apparently over-confident champion, is expected to be seen at his best in the £12,000 Ladbroke Hurdle. Here he meets, among others, Cima, the runner-up in that event, and the unbeaten Rushmoor.

If, as I anticipate, Francome produces Royal Vulcan on the run-in to the final flight, the Newmarket four-year-old's finishing speed should settle the issue with the minimum of fuss.

A second likely winner for Francome and Royal Vulcan's handler is another four-year-old, Always Eirlys, among the runners for the Merseyside Selling Hurdle.

A respectable fourth on her debut in a 22-runner event at Nottingham early in January, Always Eirlys went on to improve on that display with a third place behind Ballydurrow at Catterick later in the month. Dropped to selling company, she should make it third time lucky at the chief expense of Robin Wonder.

Richard Head usually does well with his few runners here and he will be hopeful that Sea Captain can improve on his second place in the three mile one-furlong Ritz Club National Hunt Handicap by landing the Kelvinator Domestic Appliances Chase.

Sea Captain beaten 1½ lengths by Scott Lane at Cheltenham when receiving only 1lb, is probably better than at any time in his career. It will be disappointing if he fails to give 11lb to Ballydonnagh.

LIVERPOOL
2.00—Righthand Man
2.30—Always Eirlys*
3.10—Sea Captain***
3.45—Royal Vulcan**
4.20—The Brockshee
4.50—Combs Ditch

TELEVISION

Chris Dunkley: Tonight's Choice

Either tonight's Newsweek on BBC-2 contains the biggest statistical bombshell to emerge from the annals of crime this century, or Radio Times and the BBC publicity machine have fallen into the familiar old confusion between the rates between crime which actually occurs and the frequency with which crimes are reported. According to Radio Times "over the last ten years the number of rape victims in Britain has increased by about 40 per cent." It will be astounding if that figure actually refers to a verifiable increase in crime rather than an increase in reports, but Newsweek's attempt to discover whether there is a link between pornography and crime is welcome all the same—not least because the series is under sentence of death.

So, too, is Friday Night, Saturday Morning, an undeniably inconsistent series which, however, has had the enormous advantage over other chat shows of being unpredictable. Those in the chair have invariably been interesting and although Harold Wilson was among the debits there have been many more credits: Tim Rice, Desmond Morris, and B. A. Robertson, for instance. Tonight, for the last of the series, the chair is taken by Jane Walmsley.

Between those two programmes is the Playhouse dramatisation of The Sidmouth Letters, a play about two people obsessed with Jane Austen.

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 11.00-11.22 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 Bagpuss. 2.00 Men v Women (international Gold Challenge). 2.50 A Bugs Bunny Special. 3.15 Cartoon. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Captain Caveman. 4.30 Jackanory. 4.45 Finders Keepers. 5.10 The Song and the Story with Isla St. Clair. 5.35 The Perishers.
5.40 News.
6.00 Regional News Magazines.
6.22 Nationwide including 6.45 Sportswide.
7.00 "Shalako," starring Sean Connery, Brigitte Bardot, Stephen Boyd, Jack Hawkins and Honor Blackman.
8.50 Points of View with Barry Took.
9.00 News.
9.25 McClain's Law, starring James Arness.
10.15 (London and South East only)—Bioscope Days—(feature on the life and work of Graham Head, a collector of rare archive film).
10.45 News Headlines.
10.50-12.10 am Late Film: "Such Dust as Dreams are Made On," starring David Janssen as Harry O.

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
2.20 pm Racing from Aintree.
4.35 Living on the Land.
5.00 Hotspot.
5.10 Cadences.
5.35 Weekend Outlook.
†5.40 "Pursuit to Algiers," starring Basil Rathbone.
6.45 Dear Heart.
7.10 News Summary.
7.15 Haydn Festival.
7.50 Gardeners' World.
8.15 Newsweek.
8.50 The Wooldridge View.
9.30 Playhouse.
10.25 Scoop.
10.55 Newsnight.
11.40-12.35 am Friday Night . . . Saturday Morning.

LONDON

9.30 am Rocket Robin Hood. 9.45 Wild Canada. 10.35 P. J. and the President's Son. 11.25 Paint Along with Nancy. 11.55 The Bubblies. 12.00 Song Book. 12.10 pm Once Upon a Time. 12.30 Second Thoughts. 1.00 News plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Bailey's Bird. 2.00 *After Noon Plus presented by* Elaine Grand and Simon Reed. 2.45 Friday Matinee: "The New Daughters of Joshua Cabe." 4.15 Dr Snuggles. 4.20 Razzmatazz. 4.45 The Haunting of Cassie Palmer. 5.15 Square One, presented by Joe Brown.
5.45 News.
6.00 The 6 O'Clock Show
7.00 Family Fortunes, presented by Bob Monkhouse.
7.30 Hawaii Five-O.
8.30 The Gaffer, starring Bill Maynard.
9.00 We'll Meet Again, starring Susannah York.
10.00 News.
10.30 The London Programme: The New Chief at the Yard: The Newman Enigma
11.00 Show Jumping: The Birmingham Championships from the National Exhibition Centre.
12.00 Mannix.
1.00 am Close: Sit Up and Listen with Tony Bridge.
† Indicates programme in black and white

All IBA Regions as London except at the following times:

ANGLIA
9.30 am Cartoon Time. 9.45 Cities. 10.35 Star Parade. 11.25 Survival. 11.50 Watoo, Watoo. 12.30 pm Vet. 1.20 Anglia News. 1.30 Mr and Mrs. 2.45 Friday Film Matinee: "The Blue Bird," starring Shirley Temple. 6.00 About Anglia. 7.30 The Fall Guy. 10.30 Bizarre. 12.00 Friday Late Film: "The Girl on the Late, Late Show." 1.25 am The Living Word.

CENTRAL
9.30 am 3-2-1 Contact. 10.00 The Two Christmases. 10.25 The Flower Lovers. 10.35 The New Accelerators. 11.00 1982 Butlins Grand Masters Darts Championship. 12.30 pm Vet. 1.20 Central News. 1.30 The Shadows in Concert. 2.45 Murder and Mystery Matinee: "Image of Death." 6.00 Central News. 7.30 The Fall Guy. 10.30 Bizarre. 12.00 Central News. 12.05 am Superstar Profile—William Holden.

GRAMPIAN
9.45 am First Thing. 9.50 Eye of the Storm, part 2. 10.40 Focus on Wildlife. 11.05 Golf: U.S. v The Rest of the World. 12.30 pm Vet. 1.20 North News. Counterpoint. 12.45 Friday Matinee: "The Intruder," starring Jack Hawkins. 6.00 North Tonight including Sports Desk. 7.30 The Fall Guy. 10.30 Points North. 11.30 Show Jumping. 12.00 Sounds Ol . . . Sandy and Derrick. 12.15 am North Headlines, Road Report.

GRANADA
9.30 am Circus. 9.50 Untamed World. 10.15 Animated Classics. 11.00 Sesame Street. 12.30 pm Vet. 1.20 Granada Reports. 1.30 Exchange Flags. 2.00 Our Little Town. 2.30 Friday Matinee: "Tennessee's Partner," starring Ronald Reagan. 6.00 Kick Off. 6.30 Granada Reports. 7.30 The Fall Guy. 10.30 Bizarre. 12.00 For Adults Only: "Time for Loving."

HTV
9.45 am Larry the Lamb in Toytown. 9.55 Flower Stories. 10.05 Gray Angels from Small Hope. 10.30 Road Runner and Dick Tracy. 10.45 Charlie's Angels. 11.35 International Bowls. 12.30 pm Vet. 1.20 HTV News. 1.30 Just Cram Your Finger in the Dial. 2.45 Friday Film Matinee: "The Winslow Boy," starring Robert Donat. 5.15 Benson. 6.00 HTV News. 6.30 Mr and Mrs. 7.30 The Fall Guy. 10.30 HTV News. 10.35 Sporting Print. 11.30 Late Night Film: "The Pink Telephone."

HTV CYMRU/WALES—As HTV WEST except: 12.00-12.10 pm Bath Am Stori. 4.15-4.45 pm Un Yn Helpu'r Llall. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Memories of a Lifetime. 10.30-11.00 Outlook.

SCOTTISH
9.30 am Restoration of the Night Watch. 10.15 History Captured in Jewellery. 10.40 Patterns. 11.05 The Cane Bronson. 11.50 Wattoo Wattoo. 12.30 pm Vet. 1.20 Scottish News. 1.30 Square One. 2.45 Friday Matinee: "You're Only Young Twice." 5.15 Mr and Mrs. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 Hear Here. 7.30 Charlie's Angels. 10.30 Ways and Means. 12.00 Late Call. 12.05 am Bizarre.

TSW
9.30 am Sally and Jake. 9.40 Sesame Street. 10.40 Untamed World. 11.05 It's a Musical World. 11.55 Look and See. 12.30 pm Vet. 1.20 TSW News Headlines. 1.30 A Full Life. 2.45 "Matt Helm." 4.12 Gus Honeybun's Magic Birthdays. 5.15 Emmerdale Farm. 6.00 Today South West. 6.30 What's Ahead. 7.30 Hart to Hart. 10.32 TSW Late News. 10.35 Postscript. 10.40 Mysterious Tales. 10.50 Love American Style. 12.00 Three's Company. 12.25 am South West Weather.

TVS
9.35 am Spread Your Wings. 10.00 "Jumbo," starring Doris Day. 12.30 pm Vet. 1.20 TVS News. 1.30 Bygones. 2.45 Friday Matinee: "Cheaper by the Dozen," starring Clifton Webb. 5.15 Watch This Space . . . 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 6.30 Friday Sportshow. 7.30 The Fall Guy. 10.30 Bizarre. 12.00 Lou Grant. 12.55 am Company.

TYNE TEES
9.20 am The Good Word. 9.25 North East News. 9.30 Spread Your Wings. 9.55 Village of the Rainforest. 10.20 Stingray. 10.45 European Folk Tales. 11.05 Animated Classics. 11.50 Sally and Jake. 12.30 pm Vet. 1.20 North East News and Lookaround. 1.30 A Kate of Many Colours. 2.45 Friday Matinee: "The Constant Husband," starring Rex Harrison. 6.00 North East News. 6.02 Sportstime. 6.30 Northern Life. 7.30 The Fall Guy. 10.30 North East News. 10.32 Friday Live. 12.00 Show Jumping from Birmingham. 1.00 am Poet's Corner.

YORKSHIRE
9.30 am Sally and Jake. 9.40 Sesame Street. 10.40 Wild, Wild World of Animals. 11.05 It's a Musical World. 11.55 The Undersea Adventures of Captain Nemo. 12.30 pm Vet. 1.20 Calendar News. 1.30 Altered Images. 2.45 Friday Film Matinee: "Cheaper by the Dozen." 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Sport. 7.30 The Fall Guy. 10.30 Bizarre. 12.00 Gretchen.

(S) Stereophonic broadcast

RADIO

RADIO 1
5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 4.30 The 1982 Rock School Final with Mike Read. 5.30 Newsbeat. 5.45 Roundtable. 7.00 Andy Peebles. 10.00-12.00 The Friday Rock Show (S).

RADIO 2
5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart from the Daily Mail Ideal Home *Exhibition, including 3.45 Racing from* Aintree (S). 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 John Dunn (S). 8.00 Take Your Partners (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.00 Listen to Les says Les Dawson. 10.30 Anything for a Laugh. 11.00 *Brian Matthew with Round Midnight.* 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3
6.55 am Weather. 7.00 News. 7.05 *Morning Concert (S). 8.00 News.* 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composer: Walton (S). 10.00 Gabrieli String Quartet (S). 10.50 Schumann and Bartok, choral recital (S). 11.30 Hindemith and Carter, viola and piano *recital* (S). 12.05 *pm Royal Liverpool* Philharmonic Orchestra, concert, part 1 (S). 1.00 News. 1.05 Concert, part 2 (S). 1.50 Roger Quilter and Paul Parkinson, song recital (S). 2.20 Trevor Pinnock, harpsichord recital (S). 3.15 Enesco and Mozart, violin and piano *recital* (S). 4.00 *Choral Evensong* (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.55 Play it Again (S). 7.00 The Belman of London, adapted from the writings of Jacobean dramatist Thomas Dekker by David Nathan (S). 7.30 Bach's Goldberg Variations (S). 8.55 Poetry Now. 9.15 Songs by Mozart and Mendelssohn (S). 9.45 Words. 9.50 City of London Sinfonia (S). 11.00 News 11.05-11.15 Bernac and Poulenc.

RADIO 4
6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Desert Island Discs (S). 9.45 Feedback. 10.00 News. 10.02 International Assignment. 10.30 Daily Service 10.45 *Morning Story.* 11.05 The Test of Freedom. 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 *Frank Muir Goes Into . . . (S).* 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.05 Poetry Please! (S). 4.15 Sniffing. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter From America *by Alistair Cooke. 9.30 Kaleidoscope.* 9.58 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Glyn Worsnip delves into the BBC *Sound Archives.* 12.00 News.

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THE PROPERTY MARKET

BY MICHAEL CASSELL

Office costs slow-down

OFFICE occupiers in London have seen their combined rates and rent bills rise over the past year at an average rate well below the prevailing level of inflation, according to the latest review of occupation costs in the capital.

An examination of rent and rates in London's 15 largest office centres by Debenham Tewson & Chinnocks shows that, despite the furore which the rates issue continues to provoke, the picture has been transformed by the latest round of more modest rate demands.

Averages can be dangerous things and occupiers in one or two boroughs still have ample cause for complaint, but Debenham's figures show that average rent and rates bills now stand just under 7 per cent higher than they did a year ago, compared with an inflation rate of 11 per cent over the same period.

A breakdown of the average 7 per cent increase in combined overhead costs represents a slightly different picture, however. Average rates are shown to have risen by 10.2 per cent over the year while rents have only managed an average 6 per cent increase.

Moderate

Despite the more moderate rates demands made by some of London's Labour authorities, office occupiers in locations like Camden still come out worst, with an average 17 per cent increase in combined rent and rates bills. But, this time, most of the increase reflected rises in rent rather than in rates.

At the other end of the scale, if not the political spectrum, rent and rate increases for occupiers in Lambeth rose by just under 2 per cent. A modest rise in rents has actually been accompanied by a fall in rates per square foot.

The softening approach on the rates front has clearly been dictated as much by local political needs as by central government manipulation and the hope now must be that the worst is over. Agents like Herring Son and Daw, however, suggest that the recent past and likely projections indicate that rates payable will in future run at more than the prevailing rate of inflation.

A survey carried out by the chartered surveyors on 3,000 commercial rating appeals lodged in the last year shows an average reduction of 9 per cent in rateable values and—with perhaps a touch of self-interest—it suggests that rating appeals are often overlooked as a way of cutting overheads.

Financial directors, according to Herring Son and Daw, look carefully at corporation tax and other company outgoings but often pay rates without further investigation.

£ per square foot

	1981-2 Rates	1981-2 Rent	1981-2 Total	1982-3 Rates	1982-3 Rent	1982-3 Total	Increase 1981-2/82-3 %
Camden	9.70	12.00	21.70	10.40	15.00	25.40	17.2
City	14.20	24.00	38.20	16.60	26.00	42.60	11.5
Croydon	2.50	9.50	12.00	2.90	10.50	13.40	11.4
Mayfair	7.50	18.50	26.00	8.80	20.00	28.80	10.7
Kensington	6.70	14.00	20.70	7.90	15.00	22.90	10.4
Ealing	3.30	9.00	12.30	3.60	9.50	13.10	6.3
Tower Hamlets	12.00	15.00	27.00	13.00	15.50	28.50	5.7
Hounslow	3.20	10.25	13.45	3.20	11.00	14.20	5.7
Hackney	9.60	12.50	22.10	10.20	13.00	23.20	5.2
Victoria	6.30	18.50	24.80	7.40	18.50	25.90	4.3

Start on Newbury shops

RAVENSEFT Properties, part of the Land Securities Group, is to work at once on phase two of its Newbury, Berkshire, shopping centre.

The decision follows 21 years of planning, land assembly and negotiation with the local authority and involves an extension to the existing centre and the improvement of the shopping facilities completed in 1971.

The scheme is likely to cost about £6m and, on completion, the fully covered and enclosed complex will be known as the Kennet Centre. Land Securities—via Ravenseft—is hoping to start work later this year on a shops and offices scheme adjoining the Ealing Broadway Centre in west London.

● Watford Borough Council and the Carroll Group have signed a partnership agreement to develop a £15m extension to the Holywell industrial estate, in the south west of the town. The 22-acre extension will provide about 400,000 sq ft of floorspace.

Carroll was selected by Watford from a number of developers who submitted tenders when the site was put on the market in 1980. A detailed planning application will go in shortly and work is expected to begin later this year.

● Wang (UK) has taken 5,290 sq ft of floorspace in Bank Chambers, Temple Row, Birmingham. Edwards Bigwood & Bewlay acted for the landlord—the Bank of England—and Smith Melzack represented Wang. Rent achieved is believed to be about £35,000 a year, a little below the asking price.

● Algrey Developments and Glengate Properties have fully let their 28,500-sq-ft office restoration scheme at 43 Bartholomew Close, EC1, to British Telecom International. Rent agreed has not been disclosed but it is believed to represent £14 a sq ft for the principal office floors. Joint letting agents were Jones Lang Wootton and Healey and Baker. Henry Davis introduced the tenants.

● Chivas Brothers has sold through Drivers Jonas its Union Street, Aberdeen, premises to chemists Charles Michie for close to the asking sum of £400,000.

● Imry Property Holdings is to develop a £3m office scheme at 115 Pentonville Road, Islington. The company has acquired a long lease from Islington and the 25,000 sq ft building is due for completion in September 1983.

● The India Buildings in Liverpool—one of the City's best-known landmarks—are to go on the market with a probable asking price of £17m. Ocean Transport and Trading is to sell the freehold of its Water Street complex but will retain a long lease.

● Scottish Metropolitan Property has paid £850,000 for the Rankin Gait shopping scheme in Carluke, Lanarkshire, developed and completed last month by Cussins Property. Healey and Baker represented the purchasers and are joint letting agents with Swaisland.

Erdman for Post Office

The £1.1bn Post Office Pension Fund has added another name to its team of property investment advisers.

At a time when many investing institutions have been pondering over the advisability of retaining and depending on perhaps just one outside source of property investment expertise, Possfund has recruited Edward Erdman to give additional advice on retail.

Erdman join Bernard Thorpe, who have until now been advising alone on the retail investment aspects of the Fund and who remain sole retained agents on the industrial and agricultural front. In addition, Jones Lang Wootton will continue as sole investment advisers on the office scene.

The move follows shortly after the appointment of Fred Reeder, the former executive director of Commercial Union Properties, to the post of director of property investment at the Possfund.

The move is seen as part of the Fund's plan to expand its holdings in retail property and although it appears fairly cautious about short-term prospects for UK property investment, it remains wholly convinced about the longer-term.

The appointment to one of the UK's largest public sector pension funds is clearly good news for Erdman, who said in their recent review of the market that retail yields appeared somewhat on the low side, primarily because of increasing purchasing pressure brought on by an imbalance in investors' portfolios.

Office go-ahead for historic City site

THE controversial office redevelopment and restoration scheme proposed for Wardrobe Place, in the shadow of St Paul's Cathedral, has been approved by the Greater London Council's planning committee.

Warnford Investments, the developers, now have only one more important hurdle to clear. The company needs to obtain listed building consent from Mr Michael Heseltine, Environment Secretary, before the scheme can get underway. It is expected to cost about £4.5m.

The development will release around 30,000 sq ft of net usable office space in 16 units ranging from 470 sq ft to 7,300 sq ft. Buildings owned by Warnford in the Wardrobe Place area presently comprise around 43,000 sq ft of usable office area.

The GLC planning committee this week accepted a recommendation from the City Corporation that the scheme be allowed to proceed provided that building work, and materials used, conform to the traditional character of the area.

Warnford has been attempting for at least 10 years to redevelop Wardrobe Place, a historic site which has become something of a cause celebré among conservationists. In 1973 a proposal to redevelop the area was rejected by the City Corporation on the grounds that "it was not in keeping with the character and scale of existing buildings within the St Andrews Hill conservation area."

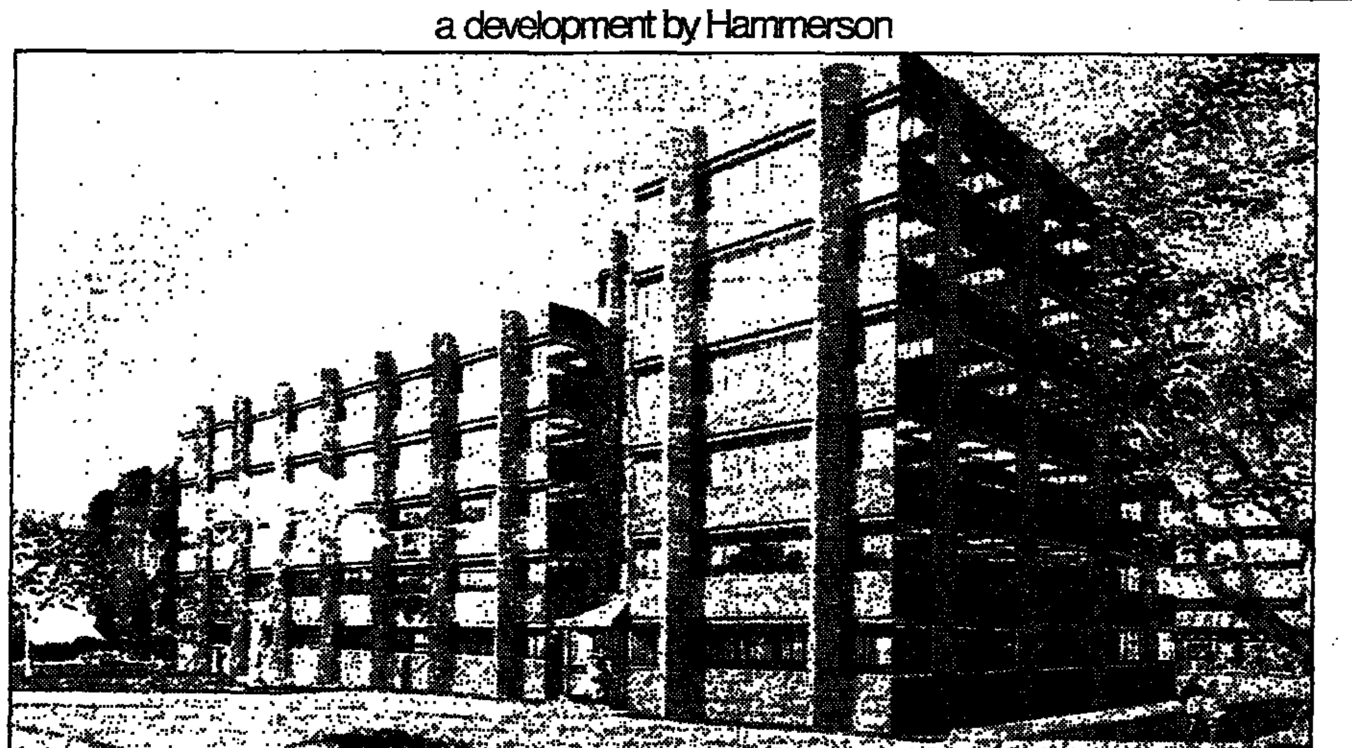
The present proposals, submitted by architects Ronald Ward and Partners in March last year, have since been revised twice.

The scale of the redevelopment has been reduced and elevations altered to take account of objections from local tenants and from the City Corporation. Plans to let the development to a single or several major tenants have also been revised. The aim presently is to create a range of smaller suites more in keeping with the traditional tenant requirements in the area, one of the principal concerns of the objectors.

The proposals affect a series of properties in Wardrobe Place, Carter Lane, Addle Hill and Queen Victoria Street. Some of these premises will be replaced with four to five storey high buildings. Other properties, including listed buildings in Wardrobe Place, are to be refurbished.

The scheme, which will total 70,000 sq ft includes a public house, restaurant and caretakers flat. Warnford will now pursue listed consent from the Department of the Environment and hopes the way will shortly be clear to start the long-delayed project.

ANDREW TAYLOR



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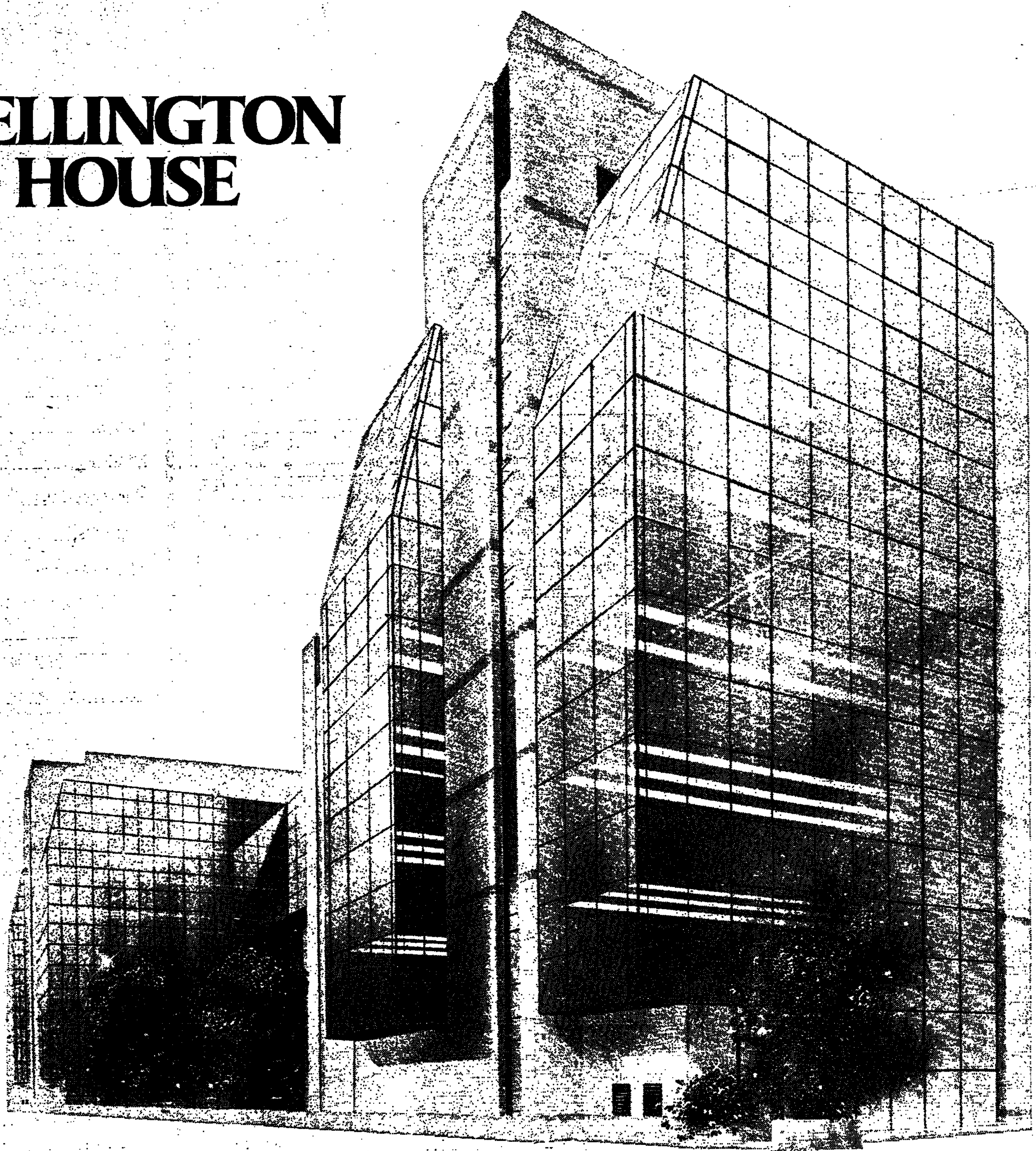

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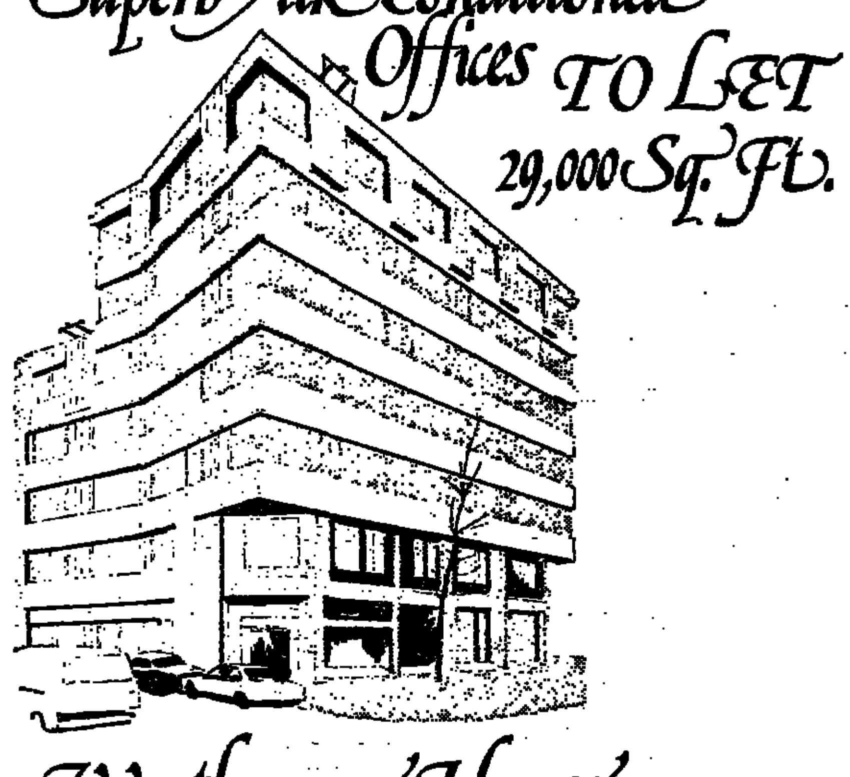

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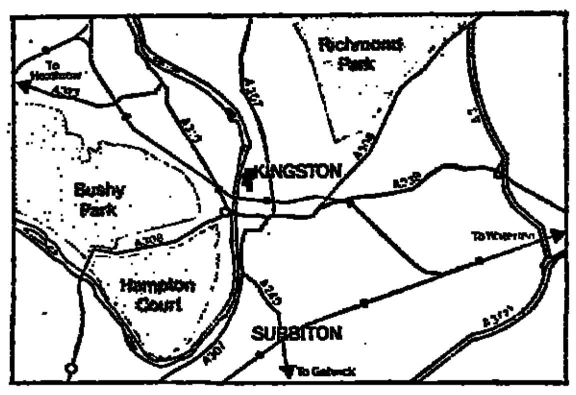

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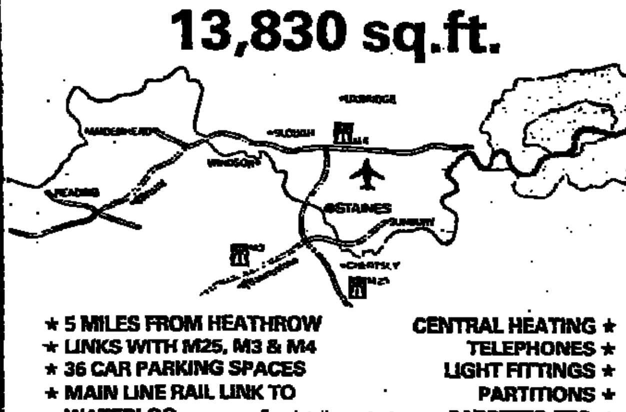

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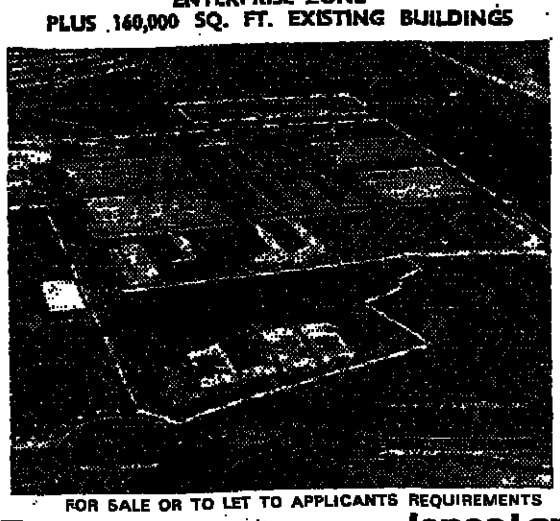

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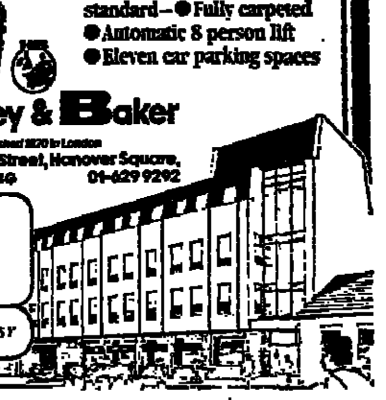

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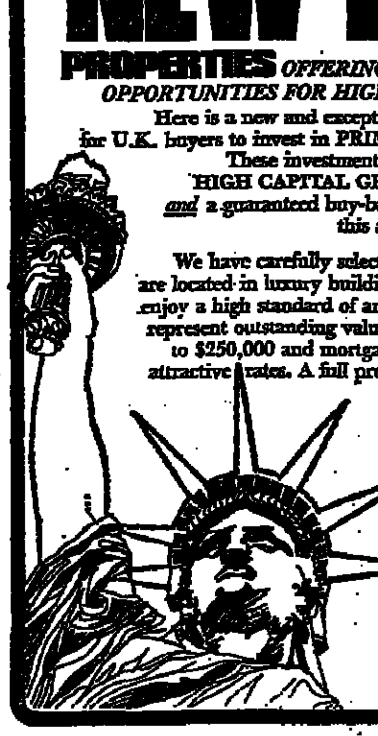

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Why America is rushing to learn about production

Christopher Lorenz on how the troubles of U.S. industry have caused an explosion in demand for manufacturing courses at top U.S. business schools from coast to coast.

FROM Dartmouth, in the north-east, to Stanford in California, a revolution is sweeping through America's top business schools. Production management and manufacturing strategy, which the vast majority of staff and students has always considered the most boring and infra-dig subjects on the curriculum, have suddenly become just about the most fashionable.

Four or five years ago, production courses were attended by just three or four of the 130-plus would-be "masters of business administration" (MBAs) in their second year at Dartmouth's Amos Tuck School, says associate professor Dean Kropp. All the others felt they had heard quite enough of the subject on the unpopular but compulsory first year course, and in any case they had no intention of going to work in some dirty factory hundreds of miles away from the corporate HQ.

But in the current academic year, Kropp says about half the second year class has selected at least one of the four "elective" (voluntary) production courses.

Scarcity

Their choice will pay off—literally. For the first time, Dartmouth MBAs who took jobs in production management after graduation last summer leapt into second place in what is known as the "placement league" of starting salaries. Only management consultancies—always the best payers for business school graduates—offered better terms: an average of $34,000 a year against production's $31,700, with marketing and financial functions, the traditional favourites, well behind at under $30,000.

This year Kropp expects up to 15 per cent of the graduates to take advantage of their scarcity value and accept the cream of the production jobs; demand for MBA graduates in general may have been tarnished by over-supply in the midst of a recession, but U.S. industry is at last beginning to offer attractive salaries to those who have specialised in manufacture.

At the Harvard Business School, production was almost dropped from the curriculum just over a decade ago, in line with many of the school's less illustrious breathren. "We were poised on a knife-edge," says John McArthur, its dean. But Harvard persevered with it, going on actually to expand its production faculty, even though the courses were never well attended until the late 1970s.

Now, students are clamouring to sign up for them, and one of the leading professors, Robert Hayes, says that virtually the entire second year MBA class of over 750 ambitious young men and women is attending at least one of the "electives" in what Harvard calls "production and operations management". And his colleague, Earl Sasser, declares "I really can't believe the number of MBA students who want jobs in production. They're going there because that's where they think the action is."

At Stanford, which now vies with Harvard for the top place among U.S. business schools, this is the first year since 1967 that first-year students have been required to attend a production course. Other well-known schools such as Columbia, Duke and Virginia are rushing to follow suit, either with entirely new courses or dramatically enlarged ones.

It is not only ambitious MBA students in their mid- or late-twenties who are demanding to learn more about production, and how it fits in with all the other, traditionally more popular, aspects of a company's strategy and activities. Though they are being much more cautious, experienced general managers who attend Harvard's many short programmes are also beginning to show greater interest. "The message is getting through to them much better now than just three years ago", says Sasser.

The reasons for the sudden renaissance of manufacturing as a fashionable subject at business schools, and a much-upgraded function in a growing number of companies, can be summed up in two words: productivity, and Japan.

The need for more effective manufacturing management has been preached for years by a few enlightened industrialists and academics, but was virtually ignored until the U.S. productivity collapse of 1978-79. At almost precisely the same time came the sudden realisation by American industry of the extent to which some of its key businesses, notably cars and consumer electronics, were being swamped by imports, mainly from Japan but also from continental Europe.

"The advent of other countries round the world taking away large pieces of the market has generated some big changes", says Rene McPherson, who 18 months ago gave up the chairmanship of Dana Corporation, one of the most production-minded companies in the U.S., to take over as Dean of the business school at Stanford.

The person most widely credited with having paved the way for an American production revolution is Wickham Skinner, a former Honeywell executive who for many years has been one of the leading professors at Harvard.

In 1969, when Skinner published a provocative article—"Manufacturing—missing link in corporate strategy"*—which has since been quoted right across the nation and back again, "he was basically alone in suggesting that traditional views of manufacturing were inadequate and even dangerous," says Steven Wheelwright, who has just moved to Stanford to rebuild its manufacturing curriculum.

Skinner argued that manufacture was mistakenly seen either as a strictly technical function, to be delegated to technical experts, or as a tactical aspect of the business to be run on the basis of short-term cost minimisation. A number of manufacturing managers agreed with him, but Wheelwright says they had difficulty getting other executives to agree with them at a time when their attentions were taken up with how to expand within a growing economy. "During the 1960s corporate emphasis was on products and markets, with the key production task viewed as meeting increasing demand."

Since the late 1960s, a number of other changes have compounded the productivity problem and the import threat, among them greater economic uncertainty in almost every respect, lower rates of growth, higher inflation, greater "resource costs" (for almost anything or anyone you care to name), and the steadily growing impact of government.

All these factors, says Wheelwright, have focused more attention on manufacturing, and on Skinner's case that it needs to be tied in more directly to marketing and other corporate functions. Wheelwright's list of exemplary companies in this respect includes IBM, Texas Instruments, Mead Paper, Corning Glass, Rolm, and SE Johnson (best known outside the U.S. for Johnson's Wax).

The changes made by Skinner and his followers, both at Harvard and elsewhere, represent something far more significant than just a better way of teaching production. They are the beginnings of a response to some of the bitter criticisms that have been made in recent years about the whole curriculum of U.S. business schools.

Criticisms

The main fire has been directed at the attitudes which MBA courses chart into future managers. The most frequently-heard criticisms include:

- That the business schools encourage short-term thinking at the expense of the sort of long-term view that characterises Japanese and West German executives;
- That they place too little emphasis on managerial skills, and too much on the sort of overall view which is of use only to chief executives and consultants;
- That they are more concerned with elegant academic theories than with helping executives manage better;
- And that, as a result, they are too reliant on quantitative techniques, in their search for what is often called "scientific management."

When Skinner took over Harvard's teaching of production in the early 1970s, he instigated a hard-fought revolution in the curriculum, and in the sort of person who taught it. "We moved away from the drift towards operational research and other techniques to practical issues of concern to the division or the corporation as a whole," he says.

Richard West, Dean of the Tuck School at Dartmouth, reinforces some of these complaints. "Some schools got so preoccupied with 'puzzle-solving,' rather than the real business of problem-solving, that a lot of actual management got thrown out," he says.

Chicago's business school is generally seen as a prime example of this tendency. West says "the average school went Chicago's way rather than Harvard's, in order to appear academically respectable." To a certain extent, he includes Dartmouth itself in this category.

At Harvard, Skinner built a uniquely strong staff around him. "We ended up with some of the hottest teachers at the school," he says, "like a baseball team with 60 hitters."

The team may be strong, but Skinner is the first to admit that "we're only just starting to have any real influence on industry. Manufacture is still the most backward of all sectors of business and administration."

Obviously, the effect of any business school on industry, even one as eminent as Harvard, is limited by the fact that its most receptive audience, the MBA students, represent the future generation of top managers, rather than the present one. Even if all the practising executives who go through Harvard's "executive programmes" could be fired with its gospel on production, there are only 2,500 of them a year. And even if Skinner and his disciples continue to have their words of wisdom published wellnigh weekly in popular newspapers and magazines, as well as in academic journals, they can have only a gradual effect on the way companies are managed.

In Harvard's case the keenness of MBA students to go into production has so far outstripped the willingness of industry to recruit them—or at least to offer them attractive salaries. "The process is being impeded by the people at the top," says Hayes. "We're trying to beat a donkey over the head so that we at least stun it and make it turn round."

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Bridging the gap between the very different worlds of business schools and industry: (from left), John McArthur, Wickham Skinner and Richard Rosenbloom of Harvard; Rene McPherson of Stanford; Edward Roberts of MIT

Harvard and MIT: the great divide

THE IMPACT on industry of Harvard's pathfinding work on manufacturing strategy is limited not only by the reluctance of many businessmen to listen to academics, however pre-eminent, but also by a shortcoming in Harvard itself.

With only a few exceptions, Harvard's professors are concentrating only on the "How?" of manufacture (production strategy and efficiency, plus human resources management and the rest), at the expense of the "What?" (product design and development). The school seems to be teaching that it is the process, rather than the process plus the product, which is of primary importance to a manufacturer.

Attendance at a recent class for top executives, on Harvard's Advanced Management Program, illustrated the point. Almost all the discussion about a case study of a crane and excavator company's manufacturing policy focused on market growth, productivity and organisational politics, with only one participant and the professor posing the basic question of whether the company had chosen to make the right product.

Rene McPherson, the Dean of the business school at Stanford, agrees that "when people talk about manufacture, they don't ask 'Of what?'" He adds "Product development is a terribly important subject and shouldn't be neglected."

Both Professors Hayes and Richard Rosenbloom, who teaches Harvard's course on technological innovation, admit that their school could pay more attention to marketing-led product improvement, which is where Japanese industry has scored so heavily. Hayes says that he, Rosenbloom and a couple of colleagues want to build up their work on what could be called the product-production interface. But one of the school's officials argues that this whole field is too specialised for Harvard.

There seems to be a widespread feeling at Harvard that the role of design and development in corporate strategy is something that should be taught, even to non-specialists, just across the Charles River, at the Massachusetts Institute of Technology.

Certainly, MIT possesses one of America's best schools of engineering, as well as a top business school in the Sloan School of Management. But the potential for co-operation and cross-fertilisation of staff and ideas between the two has been left largely unexploited. The Sloan School focuses heavily on the management of research and development at one extreme, and production techniques at the other. The space between them is only now being partially filled by two new courses.

Other than informal contacts between faculty members, the main bridge across the gap — and the river — is a joint Harvard-MIT seminar on the management of technology, taught by Rosenbloom from Harvard and MIT's Professor Edward Roberts. Roberts says there has been a sharp increase in demand for the seminar over the last two years, with attendances tripled.

Business courses

Design and the Urban Bus. London. April 29. Fee: £45 members of the Design and Industries Association and London Transport Staff. £60 non-members. Details from Design and Industries Association, 17 Lawn Crescent, Kew Gardens, Surrey, TW9 3NR.

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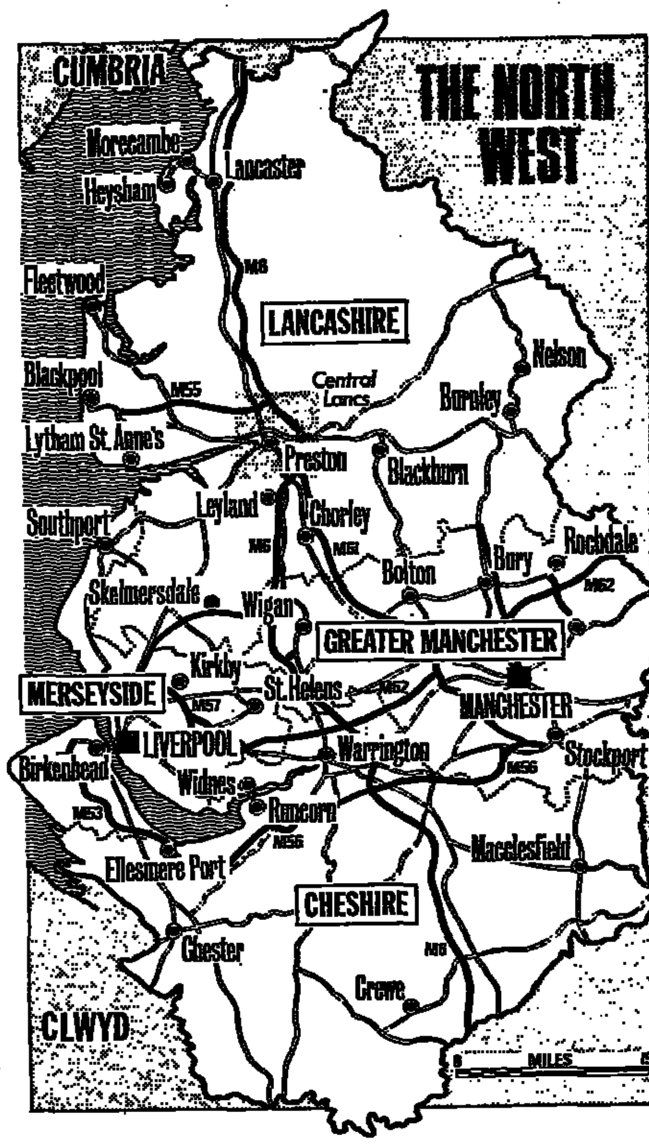
FINANCIAL TIMES SURVEY
Friday April 2 1982

Property in the North West



The older manufacturing regions like the North West have been particularly hard hit by the decay of traditional industries and the impact of recession. The local property market has reflected these problems but there are hopeful signs that the worst may now be over. Demand shows some recovery—albeit still confined to the smaller premises

Jigsaw pattern of activity

By NICK GARNETT, Northern Correspondent

THE PIECES which make up the property picture in the North-West's manufacturing areas are at first sight at odds with each other. "For sale" signs on factory walls dot the valleys forming the signposts of a regional economy under heavy stress. Yet *industrial estates* with advance factories are springing up like mushrooms in almost every borough, with even more on the drawing board.

While developers are forced to snatch at any incentive which will lure prospective *customers* to rent or buy commercial and industrial space, local authorities are unveiling sweeping proposals for very large and costly one-off construction schemes which include factories and offices as a key feature.

All these paradoxes are connected of course, and the link is the recession. Some of the "For sale" signs will remain until the factories to which they are attached are either demolished or collapse of their own accord.

But those public agencies in a position to finance new factory and warehouse building have been doing so to try and ensure that when any sustained market upturn occurs they will have the right accommodation at the *right age and size to attract* companies and stimulate employment. The new buildings are also intended to maintain the impetus of company relocation from older properties to modern.

At the same time some *boroughs and county authorities* are extremely anxious about the permanent damage inflicted on their economic infrastructures not just by the recession but by structural changes within industry. Regeneration plans seen as providing a powerful *stimulus for long-term economic* health have consequently been unveiled to the public as a means of obtaining a "new start."

Revitalising

These *range from* the redevelopment of Preston Docks—which is seen as a major potential motor for revitalising the whole of the town's economy—to a major scheme for Central Station in Manchester, this is intended to have a more specific role of urban regeneration and promotion of hotel and conference trade. Whether these schemes will ever get off the ground is another matter.

At grass-roots level it is still generally very difficult to sell or rent factory and warehouse space but the number of enquiries agents are receiving has risen noticeably and they are *hoping this will be translated into firm demand. Certain types* of small and medium properties are not sticking on the market as much as they were a year ago. Some small pockets report very healthy activity. The major part of any demand upsurge has come from the service sector, *with the demands of manufacturing* industry for new property still weak.

By and large companies have been moving from older to newer property rather than creating new employment.

The glut of factory and warehousing space has kept both rents and prices flat; in some cases they have actually slipped back. In the two biggest regional centres, Manchester and Liverpool, the rental price picture is similar, with rent down to 75p to 90p a sq ft for some old property and up to a range of £2.25 to £2.50 for small modern units.

Some areas of Greater Manchester and Merseyside are witnessing a powerful demand for units of around 500 to 2,000 *sq ft. Cheshire says it cannot* provide enough of these. The pressure of demand tapers off above this but in some pockets is noticeably more buoyant than last year in the range of 10,000 to 30,000 sq ft.

There is a steady stream of leasings at around 100,000 sq ft—both of new sites like Midland Bank's proposed stationery store at Whitefield Manchester, and of older properties—as in the case of the move by Hughes Truck and Bus into part of the former Courtaulds plant at Skelmersdale.

Attracting customers for factory and warehouse purchase is an even more arduous task. *Auctions have resulted in some* old mill-style properties going at 30p to 50p per sq ft, largely to speculative developers, including borough councils which want the buildings for refurbishment and splitting up into small units. Very modern build*ings can run into the range of* £12 to £15 per sq ft capital value.

Mushrooming

New industrial estates have been mushrooming over the past two years. This has led some sections of industry and some Confederation of British Industry officials to criticise the way public money has been spent on competitive projects designed to attract industry but sometimes only a few miles from each other.

Manchester is particularly aggrieved that it is this year losing its intermediate area status. The Greater Manchester Ecoonmic Development Corporation (GMEDC), says this will create a painful distortion of *the area's competitive ability to* attract jobs at a time of high unemployment.

In contrast to the industrial sector there is no great oversupply of office space. In the major conurbations what stock there is is dominated by refurbished accommodation. Major tests of the office market are looming. For Liverpool these centre on its Imperial Buildings and whether the £5 per sq ft rental barrier will be breached.

Manchester has already ploughed through that threshold but a sign of the market's health will be the speed with which Heron House in Albert Square opposite the town hall is rented. Its sister Liver Building was pre-let to Commercial Union Assurance.

Some of the region's prime office areas are in north Cheshire, with asking rents moving up to £6.50 per sq ft or more.

The newest element in the region's property mix, the two enterprise zones—which provide among other things 10-year rate-free periods—continue to generate debate. One group hostile to the Trafford Park zone recently produced statistics pur*porting to show that more than* half the companies locating there simply came in from the periphery and that only a fifth were true newly established businesses.

The GMEDC, for one, criticised the zone as a shuffling mechanism which has the simple effect of taking from one borough and giving to another without being a real generator of employment.

Collapse

Some agents suggest that more than half the companies would have come to the zone anyway without the incentives and some companies immediately outside the zone have complained about what they claim is a resulting collapse in the market value of their own properties.

Clearly some factories, though, have come to the Trafford Park Enterprise Zone from way outside Manchester's metropolitan area and because of the zones' incentives. The actual cost per job of this incentive programme looks as if it might be relatively high.

Properties in the Speke Enterprise Zone have been going very slowly. Some buildings that could be realistically seen as usable are owned by English Industrial Estates. Much of the zone's space though appears unusable in the present market climate — like the 1m sq ft of BL's former car plant.

The four new towns — Runcorn, Warrington, Skelmersdale and the Central Lancashire Development Corporation — have been working hard with their special incentives to attract employment. Needless to say the best laid plans of the new town concept have been knocked sideways by the recession.

Runcorn and Warrington have very substantial building plans and Skelmersdale is trying to meet demand for small workshops by building a block of units of only 300 sq ft each. Central Lancashire's position as an attractor of industry will be tested by Courtaulds' former Red Scar works in Preston, which the development corporation has purchased for conversion into small units.

That scheme and the proposals for the former Preston Docks highlight the problems and perhaps the duplication of public resources in the competitive environment of attracting industry. A short step away from Red Scar the town council is aiming to redevelop the dock area mainly with private money in a major programme costing £50m to £100m.

That is just one of several big projects in a region of the country tempted to think big in the face of a shrinking economic base. Some of these schemes might come off — as with the Garden Festival for Liverpool, which it is thought might create eventually up to 4,000 permanent jobs. Others like the redevelopment proposals for the Manchester Central Station site must be more problematical.

Some of these grandiose pro*posals might* be viewed as an attempt to seize an opportunity to restore life into industry and the local community. To some extent they are also a cry of pain.

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PROPERTY IN THE NORTH WEST II

The two big conurbations may at last be moving towards better times

Merseyside mood the most cheerful for some years

THE NEWEST office building in Merseyside is being finished off by the builders and should be complete before the end of this month. How it fares in attracting occupants will answer an important question in the region's property market: will people pay more than £5 per sq ft for office space in Liverpool?

Agents Jones Lang Wootton, whose Imperial Buildings at the junction of Dale Street and Exchange Street East in Liverpool city centre is the office block in question, is actually asking £5.75. The company is confident that rents will reach that level, mainly because the building is currently the only one offering a comprehensive range of new office space in the city.

What the new building will be competing against, however, is the considerable availability of sound, good quality refurbished accommodation around the city. Liverpool sprouted office buildings in the days of its richness as a thriving port. Most of them stand as monuments to those days and give the place its "big city" look. Some, such as the neighbouring Royal Liver and Cunard Buildings on Liverpool Pier Head, are internationally known waterfront landmarks. Most have been cleaned up, with attractive results, in the last 12 years.

It is in buildings such as these that impressive refurbishment has taken place. The building shells are sound and in many cases listed for their architectural periods and merit. With their interiors gutted and redesigned they have proved more than adequate for the needs of many companies.

Yet more of this type of accommodation has just come on the market through a tightening up at Ocean Transport. Initially this freed the entire sixth floor of the Liverpool city centre landmark of India Buildings, a gross area of 35,500 sq ft. But interest was intensified this week when Ocean decided to put the entire building on the market at £17m, while retaining its own offices within it.

Despite this availability, however, Merseyside is not well supplied with office accommodation compared with, say, Manchester and Leeds. Despite recession, therefore, this relative shortage of supply has tended to keep rents for good space plateaued around £4.50, according to Mr Stuart Marsden of Edmund Kirby & Sons, who is spokesman for the Merseyside and Isle of Man branch of the Royal Institution of Chartered Surveyors.

With economic activity in the doldrums and no new buildings coming on to the market, there has been little prospect of upward movement.

However, Mr Goodman says: "The market is now picking up and looks much better than it did at the back end of last year. Liverpool is becoming increasingly a service centre."

Confident

His company is also confident about another building it has just put on the market, Yorkshire House, on the corner of Chapel Street and Rumford Place. The price is £550,000, including the freehold. If rents do break through the £5 barrier, this will probably be very attractive to developers buying it for refurbishment.

The last RICS survey of vacant space in the prime Merseyside office core of Liverpool City Centre was published last September but the trends it revealed remain true. Total space was 4.724m sq ft, 90 per cent of it let. The unlet space could be split almost evenly between modern, refurbished and old, with the last category accounting for the largest increase over the previous year, mainly as a result of more companies moving to better premises—another small sign of impending recovery.

While the office sector is undersupplied on Merseyside, however, the opposite is true of industrial property. There is plenty of factory space available. Partly this reflects the impact of recession; places like the disused 1.1m sq ft of British Leyland factory in the Speke Enterprise Zone are extremely difficult to shift.

The high availability of factories also reflects, however, the prodigious efforts being made through new building to ensure that any hopes of fresh jobs in an area with an unemployment rate of about one in five are not frustrated by having nowhere to put the new companies.

Consequently, factories have sprung up on pockets of vacant land all over Merseyside. The local authorities and the English Industrial Estates Corporation (EIEC) have been the principal builders, with relatively little private sector involvement. Rents range from 75p per foot for older accommodation to £2.50 for newly built units. Prices have been soft and negotiable for large spaces, a reflection of just how bad things are as far as prospects of finding new mass employers from outside Merseyside are concerned.

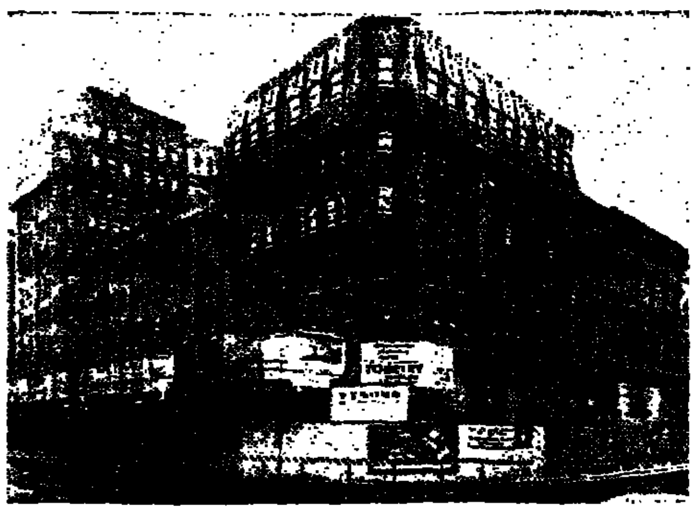
At the small end of the market, however, there is a clamour for space. Tiny 500 sq ft units in Wirral have gone like fresh hot-cross-buns on Good Friday, with turnover high as people's companies have started to grow and require bigger premises. Also, as the size of available units has dropped, so have they been snapped up more quickly, usually by new small companies formed locally.

Because of economic uncertainty landlords have had to adopt much more flexible attitudes than hitherto. For instance, most companies will not sign 25-year leases these days. The EIEC has tended to set the trend in flexibility—understandably, since its marketing orientation is considerably less bureaucratised than local authority estates departments, whose rigidity has put some people off.

Things are also looking brighter. Mr Graham Martindale, of the EIEC Merseyside office, reports movement now in the 10,000-30,000 sq ft sector, where units have previously been sticking. Knowsley and St Helen's, which are right on the motorway network while still being in the Merseyside special development area, are especially attractive.

Indeed, the mood in the whole property market is the most cheerful for years. There may still be some way to go, but at least the direction seems to be upwards.

Ian Hamilton Fazey



Liverpool's newest office block, Imperial Buildings, where reactions to the asking rental of £5.75 a sq ft are awaited with interest by the market

PROFILE: JOHN TOWNSON

Leading developer with national spread

JOHN TOWNSON does not have to look far for business inspiration. From the heart of a region where redundant mill chimneys dot the landscape like tall dark monuments to a bygone industrial age, markers for more than 8m vacant square feet of ageing multi-storey factory floorspace, his family group (1980 turnover £15.5m) has emerged as the leading North West-based industrial developer.

Townson Developments and Lyn Town (the jointly-owned Townson and London quoted property company Lynton Holdings operation) have done more than most to update the industrial face of Lancashire in the last dozen years; but a major task of renewal remains.

Mr Townson, a still youthful fourth generation member of a Bolton family which went into business 118 years ago as joiners, can claim to have been responsible fo raround 3m sq ft of modern industrial space—though not all of it in the North West—and to be continuing to develop despite a "pretty poor" level of demand and stagnating rentals over the last 12 months. "In the sixties and seventies we tended to concentrate on the North West but today we're building from Acton to Aberdeen," he says.

Nor has the Townson construction family been tied exclusively to the North West in the past. In the heyday of Britain's music halls it specialised in building theatres (one of them the London Hippodrome, now the Talk of the Town, another the Manchester Palace) as well as mills, banks, churches, country residences and the architecturally distinctive Daily Express office in Manchester.

As modern industrial developers the group has a philosophy centred on construction, disposal and moving on. "We're dealers rather than holders," says Townson. "Holding industrial property is really a rich man's pastime." On average he puts up 300-400,000 sq ft of new industrial floorspace a year, nearly all within sight of a national motorway link.

Surrounded by labour-intensive manufacturing industry all their lives (and ignoring the region's under-representation in service industry in the past), some North West councillors have been critical of the lower scale of job creation in warehousing and distribution, two of the predominant uses of modern industrial property in the region.

"If most of our lettings are for warehousing rather than manufacturing it's not by choice," says Townson. "How can a developer be expected to create demand? All we can do is cater for demand, whatever it might be. It's all very well saying we want manufacturing companies, but the reality is that they're not there. Service industry can create some good jobs and they are fairly permanent."

Townson can claim to have created more than 3,000 new jobs. On some of its trading estates—the latest is Glasgow's 53,000 sq ft Inner City estate—there is a total lack of manufacturing industry. Even in industrial Rochdale, once a textile and engineering town, manufacturing has a token presence among the 600,000 sq ft of floorspace erected by Townson.

On Rochdale's Trans Pennine Trading Estate, Townson's first major involvement in industrial development, the job ratio worked out at one for every 555 sq ft of a 487,500 sq ft estate, of which manufacturing accounts for a mere 16,000 sq ft. The ratio for the Lyn Town Trading Estate, Eccles, was one job for every 490 sq ft of a 90,300 sq ft development. At Floats Road, Wythenshawe, Manchester, the first two phases of 140,200 sq ft equated with 314 jobs, one for every 450 sq ft.

Current Townson developments include a 32 acre site at Bolton in partnership with the local authority, a 12.5 acre site at Haydock, half-way between Manchester and Liverpool at the intersection of the M6 and A580 and another 12.5 acre site close to the centre of Stockport.

On its Royle Pennine estate at Rochdale Townson took down a former mill of 860,000 sq ft, replacing it with 160,000 sq ft of modern accommodation. Not surprisingly, John Townson would like to see more old mills flattened, not so much in the cause of self-interest as of industrial efficiency.

"There are very many firms occupying old multi-storey mill property, particularly in the North-West," he says. "Although they think they've got it cheap, it's not nearly as cheap as they think when the cost of insurance, heating and maintenance is taken into account. We moved a company from one multi-storey building into modern floorspace equal to only one-third of the accommodation they had previously. Obviously, the rental was much higher but in fact it turned out to be cheaper when everything was taken into account."

Tom Heaney

Stronger flow of enquiries gives Manchester hope

THE INDUSTRIAL property market in Greater Manchester is still languishing in the doldrums. There is clear evidence, however, that the flow of inquiries for properties is stronger than it has been for some two years and there are genuine hopes that this will be translated into a steady upward trend of purchasing and rental.

Alongside static or even falling rents and relatively stationary purchase prices new developments for purpose-built factories and warehouses are either getting off the ground or are now much more likely than a year ago to go ahead.

The buffeting suffered by the city's industrial base has inevitably led to an oversupply of buildings. The speed with which this glut has been expanding is now easing, however. This is because the number of companies going to the wall has fallen and the rise in inquiries for renting and purchasing has already been producing some positive results.

Any slight upsurge in demand has come essentially from warehousing and servicing industries rather than manufacturing, where demand has been weak for the past 12 to 24 months.

Overall the west and south of the area is in a better position than the east and north to take advantage of any upturn. It tends to have rather more modern properties and until the motorway system finally encircles the city is better off for road access.

Some small pockets, Stockport being perhaps the best example, still prove to be especially attractive and the Trafford Park Enterprise Zone—offering incentives such as 10-year rate-free periods for new arrivals—has had an impact on the market.

The older mill-style properties are difficult to shift but there is a market for them, particularly from developers waiting to do some speculative refurbishing.

Rents have tended to remain static over the past year. Some have come down and more would have done so but for the fact that developers need to cover building costs. For relatively modern factory units agents report a general range of £1.85 to £2.25 per sq ft.

There has been such weak demand for old properties that some of them have been "given away" for 50p a sq ft or less.

On the buying front new and modern purpose-built property has been seeking a market at about £12 to £15 per sq ft capital value, though this has been partly dependent on interest rates and the yield needed for investment.

Some older buildings have been purchased for around £3 per sq ft or a little more but much has gone for a good deal less—in many cases down to between 30p and 50p a sq ft.

Four mills were recently auctioned off together in Greater Manchester. One, at Ashton-under-Lyne, was purchased by Tameside Council from Courtaulds at a price of £96,000 for 171,000 sq ft.

The council intends to convert the building into up to 200 industrial mini units for letting to small firms, with an eventual target of a complex providing 450 jobs. The mill occupies a 2.9-acre site.

Some agents suggest that overall three-quarters of inquiries are for warehousing space. Perhaps a quarter or more of the city's stock of such commercial accommodation was built more than a decade ago. Warehousing has been tending to run in the 2,000 to 12,000 sq ft range.

Willingness

Because of some relatively low purchasing prices companies are showing a much greater willingness to buy freehold rather than renting—and so pick up potential bargains. The uphill fight to attract customers has resulted in some developers resorting to a wide range of incentives such as rent-free periods and allowances for fitting out.

There are still some important features in the disposition of available property. The incentives in the Trafford Park Enterprise Zone have undoubtedly been a magnet. Some agents suggest that more than a third of the companies moving into the zone have done so because of these incentives.

Looking at it another way, though, that indicates that perhaps 60 per cent of purchases and lettings there would have been carried out anyway without the incentives.

There have been a few cases of companies uprooting themselves from just outside the zone and moving within it. From the local authorities' point of view this is a non-productive move—perhaps even counterproductive. Such small shifts of location do not appear, however, to be many in number.

Nick Garnett

Recession has prompted other parts of the region to increase their efforts to attract industry. Rhys David reports on environmental and other merits

Challenge from the shires

THE INDUSTRIALIST or small businessman wishing to expand in the North West these days could do worse than start with a guide to the region's scenic attractions. If the hills of the Lake District appeal there are sites available in Kendal as well as in other more remote parts of Cumbria. For a taste of history there is Chester, where efforts are now being made to improve the supply of industrial land. If it is the more metropolitan attractions of a city that are being looked for—without big city problems—Wilmslow, a prosperous Manchester dormitory town over the border in Cheshire, is now dipping its toe into industrial development. Those looking for office space with character have a new option too—Lancashire mill-owners' former country houses, set in acres of ground where extensions can be added, and available for not much more than the cost of a central London pied a terre.

The availability of these and similar opportunities in the North West and in neighbouring North Wales is a measure of the competition which the older industrial centres such as Manchester and Liverpool nowadays have to meet and an indication too of the way in which attitudes have changed with the recession. Towns such as Chester which have tended in the past to pass on industrial inquiries to more needy areas such as Merseyside are now seeking to strengthen their industrial base.

The shire counties, too, just like Greater Manchester and Merseyside, have stepped up their efforts to stimulate industrial development. The recently formed Cheshire Economic Development office (CEDO) is undertaking site access improvements on a number of estates in the county as part of an overall pump-priming brief. Though its funds are limited CEDO is also empowered to take head leases and to offer guarantees to developers if such are needed to ensure developments take place. Other financial inducements could also be made available.

Cumbria's inducements include its own small firms loan scheme and a new organisation set up by Lancashire County Council called Lancashire Enterprises, was formally registered as a company earlier this month. The new body has been voted a sum of £2m under section 137 of the Local Government Act (a provision allowing councils to spend the product of up to a 2p rate for the benefit of ratepayers) and will use this sum on site development and on providing help where necessary. Once developments have been successfully launched it is hoped they can be sold on to the private sector, thus releasing funds for further investment.

Clwyd has behind it the resources of the Welsh Development Agency, which in the six years it has been operating in the county has put up a total of 148 factories totalling 1.1m sq ft. The bulk has been concentrated in Deeside to counter the effects of the steelmaking closure at Shotton with others at Wrexham, another centre badly hit by redundancies. The agency, which offers a range of financial incentives alongside its factory programme, has also been building in the hinterland of the county and along the North Wales coast.

The fact that the potential investor can look much more widely afield within the region is a reflection too of other changes which have taken place in society. Lack of skilled labour, social problems and poor environment have resulted in the older industrial centres becoming less attractive to investors, many of whom would now prefer to locate in smaller towns. This has become feasible with the development of the motorway network, while other developments in telecommunications seem likely to have a similar effect on the future location of service sector employment.

Development arm established

Lancashire

IN LANCASHIRE the industrial property market is still being held down by the large surplus of accommodation which has become available through closures and redundancies in textiles, engineering and vehicles. Vacant space in the area is estimated at up to 5m sq ft and while this remains unlet developers are reluctant to gamble on providing speculative new buildings.

The problem is being tackled in part through refurbishment. The Central Lancashire Development Corporation (CLDC) is behind the conversion taking place on the former Carrington Viyella Evvaprest trouser factory at Bamber Bridge, where some 170,000 sq ft of good single-storey accommodation in units of between 750 sq ft and 25,000 sq ft is to be provided. The CLDC has also [illegible]red the 1m sq ft former Courtaulds Red Scar plant at Preston and will be turning it into a modern industrial estate. Among mills being refurbished by private developers is Imperial at Blackburn, which will be converted into workshops.

Strongest demand in the area is for small units, with a letting of 25,000 sq ft now considered sizeable. Various developers, mainly locally based, are putting up small and nursery factories in Blackburn, Burnley and other locations. Institutional interest has yet to appear on a significant scale, though the attraction of outside capital will be one of the tasks undertaken by Lancashire Enterprises, the county's new development arm.

The biggest scheme likely over the next years will be the redevelopment of the recently closed Preston Docks. Plans were this month put forward by four consortia in response to an invitation by the borough council for tenders for redevelopment of the 450-acre site including the waterfill area. Altogether expenditure varying between £50m and £100m is envisaged by the groups.

Rental levels in the county are currently around £2.25 for very small units, with £2.50 being asked in some situations for high quality accommodation. Larger units can be obtained for £1.75 but very old multi-storey accommodation is available down to 10p per sq ft.

Clwyd

Drive by Welsh Agency

IN CLWYD the bulk of space available has been developed by the Welsh Development Agency (WDA), though some local developers are also active in and around Wrexham in particular. The problems created for the county following the closures at the BSC's Shotton steelworks and redundancies in other industries including textiles were compounded until recently by the lack of industrial sites. This gap has now been filled by the WDA with a substantial building programme.

Out of the total of 1.1m sq ft built by the agency in Clwyd in the past six years 750,000 sq ft was built last year. At Deeside Industrial Park next to the BSC's works the agency is developing units varying in size from 3,000 to 50,000 sq ft on 150 acres of reclaimed land and reports an encouraging trend in lettings. A further 150 acres is also being made available directly to developers by the BSC.

After concentrating heavily for the past few years on small units the WDA is now putting more of its effort into medium-sized units in the belief that this is where shortages could develop as the economy picks up. The agency last year successfully let a 10,000 sq ft unit in Clwyd to Hoya Lens, a Japanese group, which has since doubled its plant. Demand for bigger and in some cases bespoke premises is coming from companies anxious to move on from their original smaller lettings.

The agency's policy in Clwyd is to make factories available for sale or, in managed estates on long lease. It remains open, however, to approaches from institutional investors and is undertaking joint work with institutions in other parts of Wales. Other new initiatives by the agency include refurbishment. A disused complex in Wrexham is currently being broken down into units. Rentals in rural areas start at as little as £1 for WDA factories, most of which are built to traditional simple designs. Elsewhere small units can go up to £2 with larger units available for less.

Council sites programme

CHESHIRE'S traditionally buoyant economy has suffered as a result of over-capacity in the chemical industry and consequent cuts in manning by ICI and other producers located mainly around Runcorn and Widnes, Ellesmere Port, one of the main industrial centres in the county, has seen the closure of Bowater's paper mill (shortly to be reopened by Consolidated Bathurst) and heavy job losses at Vauxhall Motors and other big employers.

This decline has been counterbalanced to some extent by the continued growth of Runcorn and Warrington New Towns but elsewhere in the county a shortage of industrial land has hampered development. Later this year the county's intermediate areas will be phased out, though Halton (the area around Widnes) and Ellesmere Port will retain special development area status.

The county council is seeking to fill the gaps in land provision by funding site access schemes at Stanney East in Ellesmere Port close to the M53, a 100-acre site owned by the Church Commissioners; at The Moss in Macclesfield, a 40-acre site with 12 acres available immediately; at Adlington south of Poynton, a 35-acre site; and at Sealand Road, Chester; a 55-acre site in city and county council ownership adjoining an existing estate. Elsewhere in the county Castle Reeves is putting up 12 units totalling 60,000 sq ft at Congleton; Pochin is developing 10 acres at Middlewich; Macclesfield Borough and Epic are reclaiming 30 acres at Handforth; Vale Royal District is acquiring 55 acres at Northwich.

At Crewe the district council's 100-acre Crewe Gates Farm has attracted a number of sizable developments, including BOC

Cheshire

Transhield and Co-op Tea, and is now three-quarters filled. The site includes a variety of speculative and tailor-made buildings as well as small units. Also at Crewe, Commercial Union is behind the development of another site, the Weston Centre, and at Northwich ICFC has linked with a local building company to put up 11 units of between 1,000 and 2,000 sq ft. As yet, however, institutional interest in industrial development in the area is relatively limited.

The state-funded English Industrial Estates, which has previously concentrated most of its attention in the traditionally difficult areas of the north east and north west, is now taking a more active part in developments in Cheshire, with Widnes one of the areas where it is operating. As in other parts of the region, the most buoyant sector is small units, though there is also a degree of trading-up, with firms moving out of older smaller premises into new and better buildings.

At Ellesmere Port the council has sought to meet the demand for small units by converting a group of council houses affected by motorway development to provide start-up business accommodation. Following the success of the first phase of this scheme, involving 10 houses, a second phase is planned.

Rental levels vary, with new medium-sized units of 5,000 sq ft in Ellesmere Port, for example, on offer at £1.75-£1.85. In Chester new space has fetched almost £3, reflecting the city's shortage of space and prestige as a location. In Macclesfield rentals of £2.30 would be expected for new industrial space but old silk mill property is available for much less.

Small premises in demand

IN CUMBRIA modest grounds for hoping the spate of closures of recent years may be tailing off have recently been found. Moreover, some encouraging signs of new growth have appeared.

Earlier this month New Balance Shoes, an American manufacturer in the fast-growing sports and leisure market, announced plans to open in the county and to recruit 100 people, building up eventually to 250. Later this year Thames Board will unveil its new integrated pulp mill at Workington.

Elsewhere in the county Barrow is benefiting from the decision to land gas from the Morecombe Bay field just outside the town and is hoping it will be chosen as the service base for the field. Farther up the coast the British Nuclear Fuels complex at Sellafield is continuing to add to its workforce.

The main problem remains the north-west of the country, where employment opportunities in iron and steel have declined markedly and new

Cumbria

industries such as textiles brought in to offer alternative opportunities have also faltered.

The development of new factories in Workington, Maryport, Whitehaven and other centres hard-hit by redundancies is largely in the hands of English Industrial Estates (EIE) with the Development Commission sponsoring growth in the small upland towns in the centre of the region. The main demand is for units of around 2,500 sq ft and EIE has been seeking to meet this with a rolling programme. Larger premises, including modern buildings vacated by textile companies, are proving much more difficult to let or sell.

In the more prosperous east of the county, with its well-established tourist trade, the pattern is different. Speculative units have been put up in Kendal, where space tends to be taken quickly, and in Penrith. Farther north in Carlisle, Slough Estates has a sizeable site under development and three other developers are in negotiation with the district council. Rental patterns differ markedly too. In the west accommodation is available for only £1 to £1.40 per sq ft, 20 per cent or more below the level in the east.

New towns bedevilled by uncertainty

IF THE four new towns of the North-West share a common uncertainty it is centred not so much on what might have been achieved as on what can still be achieved in the time remaining to their development corporations before they are wound up. Runcorn has already seen its corporation merged with that of its high-flier Cheshire neighbour, Warrington New Town, whose new joint development corporation is set to continue until the late 1980s.

Against a background of financial restraint and changing Government emphasis, the uncertainty spills over to the local authorities that will be left to carry on. Highway leaders in Lancashire county, for instance, are currently seeking a meeting with Mr Michael Heseltine, Secretary for the Environment, to voice their concern over what might follow the winding-up of the Central Lancashire New Town programme at the end of 1985.

They claim that the road network of the new town is inadequate and that local authorities could face the heavy responsibility of providing "much-needed and overdue infrastructure without the resources to provide them, which would mean the sacrifice or delay over a long period of other important schemes elsewhere in the county."

The development corporation of Lancashire's other new town, Skelmersdale, is currently scheduled to wind up by the end of March 1985, which represents a year's extension. Projections suggest that by that time it will be 7,800 short of its original population estimate of 52,800 and that nearly 15,000 houses will have been built from start, still a shortfall of 1,300 on target. Present trends point to a shortfall of nearly 5,000 in Skelmersdale's employment capacity by 1985. Because present factory space is never again expected to be occupied at its designed capacity, more land than presently available is likely to be needed to provide sites for more factories.

As elsewhere, the recession has overturned the best-laid plans and dented expectations. Much has happened to change the situation since the new towns were designated. Cities such as Manchester and Liverpool, which have lost population, no longer recognise a need to encourage the movement out of people on an organised basis.

Committed

The birthrate has fallen, the need to revitalise the inner cities has justified urgent calls on national resources and the Government has committed itself to the concept of enterprise zones outside the new towns.

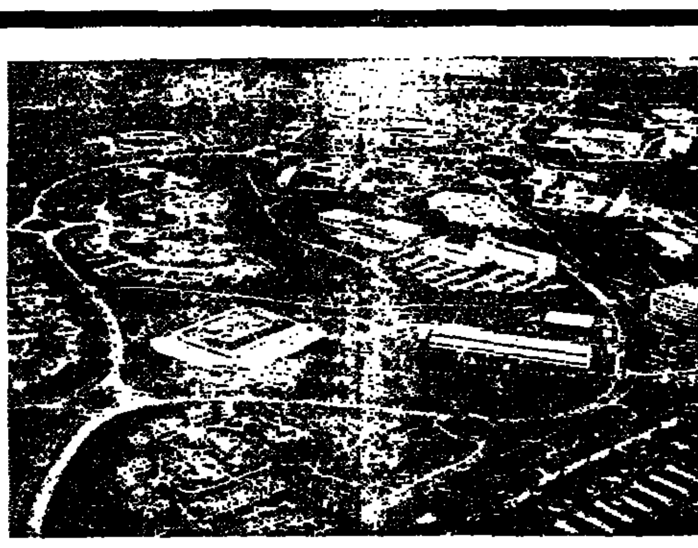
But whatever the promise and the reality of forward projections, the new towns of the North West have made their mark, standing out as catalysts of growth in a region still paying a high price for being an early industrial pioneer. It is no fault of the new towns that their best efforts to generate new jobs have been overtaken, on a straight numerical comparison, by rising unemployment statistics and recession.

It has meant that they have had to fight that much harder for their gains. But having said that, they have started with an advantage over many other parts of a region which has seen the loss of 226,000 jobs, nearly a tenth of its workforce, in three-and-a-half years.

In February the rate of unemployment in the Ormskirk travel-to-work area (TTWA) which in terms of numbers out of work is dominated by Skelmersdale, stood at 21.4 per cent, the highest in the North West. The rate for Widnes TTWA, which includes Runcorn, was 18.7 per cent. Warrington, coupled to Newton-le-Willows, was marginally below the regional average at 14.5 per cent, while the Preston TTWA, covering Central Lancashire New Town, maintained its tradition for below-average unemployment, though with a still substantial 12.1 per cent.

Skelmersdale suffered severe setbacks with closure of the Thorn television tube factory and Courtaulds' big weaving mill. More than 1m sq ft of industrial space was thrown on to the market (as well as many hundreds of jobs). The Thorn factory (425,000 sq ft) has since been taken by Hughes Truck and Bus and 100,000 sq ft of the 625,000 sq ft Courtaulds plant has been occupied by Gaskells Transport. A 96,000 sq ft unit vacated by Vanda has been taken by Salford Plastics.

In the past 12 months the development corporation has let 24 factories totalling 170,000 sq ft and is currently helping to meet a demand for small workshops. Meanwhile,



Birchwood Science Park at Warrington New Town

work is reported to be almost complete on the continuous casting plant for copper wire bar being set up by Rodco, the GEC-Pirelli joint venture.

As ever (and with a panache supported by a hefty promotional budget), Warrington New Town continues to make some of the most optimistic noises. A year ago, as national recession deepened, it passed its target of 1,500 new jobs for the third year in a row. In the first nine months of its latest year it had recruited a further 69 companies but appeared to be lagging slightly behind target in job creation at 748.

Housing

In addition, for the first 10 months of its latest year Warrington disclosed one of its best housing performances, with 420 new homes for sale completed by private sector builders and more than 950 by the public sector.

To date the corporation has let more than 4m sq ft of factory and office space and attracted more than 250 companies, nearly 70 of them from overseas. The town's Birchwood Science Park has drawn 22 companies, a second science park is planned and a planning decision is awaited on proposals for a third.

Runcorn's merger with Warrington did not mean an end to development there. The town kept its industrial and commercial base and its special development area status. Over the next five years it plans a further expansion programme on top of the 100,000 sq ft of advance units under construction. Runcorn can claim to have attracted nearly 100 companies, let floorspace totalling around 4m sq ft, and created 4,700 industrial jobs.

Meanwhile, Central Lancashire New Town, unlike the other new towns, is having to cope with the legacy of large-scale textile mill closures at the same time as it presses ahead with development. Industrial construction is continuing at the town's Walton Summit (122 units now occupied). Roman Way and Moss Side employment centres and new companies are being drawn in. Simultaneously, CLNT is to refurbish and subdivide for industrial use the 1m sq ft Red Scar plant formerly occupied by Courtaulds, which it has acquired, with 233 acres of land, for £1.675m.

Tom Heaney

PROFILE: PETER EMERSON JONES

Unobtrusive head of team

PETER EMERSON JONES is cast in a mould different from the traditionally extrovert property developer. He eschews personal publicity, makes clear that the success of Emerson Developments, of which he is founding chairman, is essentially a team effort and generally believes that a low personal profile is best.

On its commercial flank Emerson has built its Orbit operation, set up 10 years ago, into one of the most active developers in the North West in the office field, continuing to move ahead despite the recession. Altogether Orbit has built nearly 1m sq ft of offices and shops. Its achieved rent roll is in excess of £1.25m and is expected to reach £3m by 1984 through its future development programme.

In residential development—Peter Emerson Jones's roots were in house building when he founded the future Emerson Developments in 1959—the company's homes division has built a reputation as one of the largest in the North West, with a current land bank of more than 1,000 building plots for which planning permission has been obtained.

Emerson entered the commercial market by building an up-market low-rise office block (now group headquarters) at Alderley Edge, North Cheshire, which rates as one of the most attractive residential belts to the south of Manchester. It was to a scale and design which people living to the south of the city were to come to recognise.

What is surprising about Orbit is that it has concentrated virtually all its office and shopping developments in suburban areas to the south, never once seeking to secure a foothold in the commercial heart of the city of Manchester. In some ways it was playing a hunch, subsequently proved right, that for a whole range of reasons, among them city centre parking problems and traffic congestion, business firms would be tempted to start looking to the motorway-linked periphery for head or regional office locations, preferably close to an international airport.

Locations

In that event the most favoured choice was predetermined — south rather than north Manchester, a pattern long established in the case of residential preference. What followed saw southern suburban towns such as Sale, Wilmslow, Cheadle, and Altrincham become prime office locations. Orbit played a part. The consequence of all this, according to agents Bernard Thorpe, is that south Manchester today is one of the few locations in Britain where suburban rent levels for prime accommodation can match city-centre rates.

The outstanding example, says Thorpe, is Wilmslow, where the 22,000 sq ft Emerson Court, currently being built by Orbit, has an asking rent in excess of £7 sq ft. Another joint Orbit-Marchwiel development at Wilmslow, Crown House, is also around the £7 mark (Marchwiel is a 50-50 partnership between Emerson and Sir Alfred McAlpine and Son).

Orbit's concentration on south Manchester was proved strategically right. Because of environmental sensitivities, Orbit's office developments close to prime residential areas have been limited to low-rise "non-contentious" blocks, squat and of an average size of only 25,000 sq ft or so.

Central Stockport, where planning constraints were less environmentally acute if only because development was primarily in a major town centre and not leafy suburbia, was to see the largest growth in office development. Orbit developed a new store for Debenhams as well as office tower blocks. It was also responsible for twin tower offices at Eccles. At Warrington New Town it leased a three-acre site and designed and built an office complex of 40,000 sq ft for the American Digital Equipment, which has recently moved in.

Today Orbit's horizons are set further afield. It is studying established South-East office centres and areas which might allow it to repeat its success in South Manchester.

Meanwhile, through Marchwiel, it is currently poised for its most ambitious project so far. Only a mile from Manchester International Airport, one of the North West's few visible growth points in recent times, Marchwiel has acquired the 108,000 sq ft Renold building, leasing back around 25,000 sq ft to Renold.

The plan is to make this modern block the hub of a Manchester International Business Centre, occupying a strategic nine-acre site, probably to be supplemented by new developments of around 40-50,000 sq ft and providing on-site banking, restaurant, shop and other facilities. Around £6m is involved in the transaction and Emerson says there is already institutional and tenant interest.

T. H.

THE ARTS

Cinema

Gay's not the word by NIGEL ANDREWS

Victor Victoria (AA) Plaza
Sharky's Machine (X) Warner West End
Roar (A) Odeon Marble Arch and Classic Haymarket

The high-flying late heyday of Blake Edwards — writer-director of "10" and S.O.B. and a pentateuch of Pink Panthers—is one of the phenomena of modern cinema. All the more alarming that his new film Victor Victoria is a bitter-sweet romantic comedy that begins promisingly, starts hiccoughing and spluttering half-an-hour in, and then goes into a long tail-spin before the final nose-dive to the ground.

Why did modern comedy's sagest veteran choose to pilot this bonehulked script, lifelessly adapted from the 1933 German movie by Reinhold Schunzel that was later remade for Jessie Matthews (*First A Girl*, 1935)? First surmises are that Edwards must have espied a succulent role for his wife Julie Andrews in the tale of a girl masquerading as a man in order to become a female impersonator. All this in 1930s Paris, where employment is hard to find for a hapless English light-opera singer (Miss A) whose touring manager has debunked with the company's funds.

Her gay cabaret-singer pal (Robert Preston) suggests the transvestite ruse; kudos and acclaim shower down on her ensuing night-club career; and the only mote in Fortune's eye is passing Chicago gangster James Garner, who falls in love with the bewitching vision on stage and then learns that it's a boy. Later he discovers that it's a girl and romance duly flowers. But Miss Andrews's masculine imposture must continue, for the sake of her career, and it does so, much to Garner's nightly discomfiture as the winer and diner of a young Adonis.

Time was when film audiences were ushered into Paris by a shot of the Eiffel Tower and jaunty squeegee-ings on the accordion. Edwards himself helped to debunk these pin-brained tropes by linking them [illegible] to Inspector J. Clouseau and slapstick misdoings at the Sureté. But *Victor Victoria*, eschewing Paris location nudges or sign posts to Gallic-ness, unfolds in an art director's Nowhere that strangles all sense of life or believable human context.

In a studio-built labyrinth of cobbled streets and Bohemian bedsits and Art Deco hotel suits, Mrs Edwards vigorously bays out her lines and songs, but in this atmospherical cul-de-sac there's no real life in the performance, no comic or erotic pungency in the switches between sexes. (As a boy, with slicked-back hair, death mask complexion and prominent cheek bones, she looks disturbingly more like Andrews, Archie, than Andrews, Julie).

Thin comic ideas are teased out like overextended chewing-gum. Sub-Feydeau shuttlings between hotel-rooms seem to wear out whole reels (Garner pursues Andrews, Garner's bodyguard fancies Preston). The overdressed night club numbers which are numerous enough to qualify *Victor Victoria* as a musical are dull enough melodically to destroy it as one. And on the rare occasion when funny business actually succeeds—Graham Stark the ubiquitous waiter spooning out a French accent as stringy and piquant as onion soup, Lesley-Ann Warren as Garner's dizzy blonde mistress—it shines a flashlight on the galumphing witlessness all around.

After the fierce and feral glories of S.O.B. — magical farce with that rare blend of riotous jokes and real-and-rounded human beings — Victor Victoria is a crushing disappointment: chocolate-box Gay Paree full of stale romantic flummery and woozy comic confectionery.

★

Sharky's Machine is one of those films that seem sold into slavery to their own LP albums. Every time someone stops talking in this cops-and-robbers thriller, another dose of music swells up fulsomely and with almost indecent haste—including more variations on "My Funny Valentine" than you would expect to encounter in a lifetime of February 14th—while we mark time visually with a mortgage of silent action.

Burt Reynolds is the titular Sharky, demoted from Homicide to the bumbler parlieus of the Vice Squad after a crime chase which ended in an innocent man's death. The Vice Squad lurks in the nether regions of Police Headquarters, where Hollywood veterans attempt to dispense justice through a pall of Kentucky Fried Chicken fumes. Charles Durning, Brian Keith and Bernie Casey man the desks and are ready to help when Mr Reynolds, pursued by Great Crime even into semi-anonymity, finds a petty prostitution ring leading straight to a top political scandal.

If he pulls his end of the thread, he'll unravel the careers of millionaire Italian French-speaking gangster Vittorio Gassman, his hit-man brother Henry Silva, who looks Chinese, and Deep South Governorship candidate Earl Holliman. Meanwhile the tart-with-a-heart caught in the crossfire is Rachel Ward (British), a husky-throated, chestnut-haired beauty who bats heavy-lidded eyes and speaks as if through a broken glass and honey. Can she and Reynolds defeat the baddies and find love and happiness out of the hail of bullets?

Certainly the soundtrack finds a time out of war, and often, as melodies splurge across the storyline at the drop of a Beretta or the cooling of a Smith and Wesson. But for all the oddly jigsawed format of action and interlude, *Sharky's Machine* has a stalwart pulse and watchability and Burt Reynolds, directing for the third time (previous were *Gator* and *The End*), does best-yet job behind the camera.

★

Tippi Hedren, who 20 years ago strove to keep her mascara in place against the onslaught of Hitchcock's *Birds*, is even more sorely exercised in *Roar*. Africa has replaced Bodega Bay, lions and tigers, blackbirds and seagulls. Accompanied by a plot that could be written on the back of a postage-stamp, and possibly was, Miss Hedren and her teenage children sally forth to the Dark Continent to meet her husband and are nonplussed by his non-arrival at the airport. They decide to journey to his ranch on their own, and they are greeted there not by him (absent) but by a large and demonstrative welcoming committee of lions, tigers and panthers.

On which humble plot-hinge swings the entire film. The quadrupeds growl, grab, roar, playfully embrace, maul, jump, purr, scratch, roll over, screech, capsize Miss Hedren's getaway boat (she and kids try to escape), trap them in barrels and fridges and cupboards, rip the clothes off them, breathe in their faces (worst fate of all, to judge by expressions) and take sudden, violent darts behind the camera to check lighting and angles.

Miss Hedren's own children, meanwhile, play her children in the film. And her own husband, Noel Marshall, plays her husband (joining the clan halfway through) and directs the film. His tendency as an actor to out-snarl and out-roar the lions, and perform at least one death-or-glory pratfall per shot, gives one concern for his mental health. But the film itself is demented in such a winning way that it somersaults into grace and proves a scatterbrained delight.

Julie Andrews in Victor Victoria

Royal Shakespeare, Stratford-upon-Avon

Macbeth by MICHAEL COVENEY

Breaking down the main Stratford auditorium has been an abiding preoccupation of the RSC under Trevor Nunn, and the latest attempt by Howard Davies for his first main stage production is the most startling and probably the most successful to date. RSC posters decorate the dress circle and gallery tiers. The stage is thrust deep into the stalls and gangways lead off to exits half-way down the auditorium. There are seats on the stage at right angles to the body of the theatre, transforming the acting space into splendid, almost square arena.

Chris Dyer's design carries this through to a scaffolded set on top of which two percussionists in full light accompany the play on hand bells, drums and a veritable array of strange, sighing instruments. This is the third really fine production of *Macbeth* that I have seen, and its overriding quality, shared with the versions by William Gaskill at the Royal Court in 1966 and Trevor Nunn for the RSC ten years later, is of a sparkling, untrammelled clarity. There is absolutely nothing up its sleeve. The witches are not bearded midnight hags with cackling voices, but three strange young girls who could be inmates of an asylum, tearing at their clothes and spewing out fragmented poetry like patients on the verge.

The representation of evil throughout is not a mysterious addition to the play, but an endemic element of the society, at whose head David Waller's genial Duncan holds popular sway. The court appears through an arrangement of what look like sliding glass shower panels, forming attractive groups and registering the effect of the tragedy in a really fine display of ensemble work.

The speaking of the text is excellent, with many fine perceptions, such as "The innocent sleep" making more sense as an adjectival description rather than a statement about who qualifies for slumber.

Bob Peck played Macduff in the Nunn production and moves into the title role as a wonderfully convincing professional soldier, scything the air with his right arm and reversing the motion as he gropes for the imaginary dagger. By undercutting the poetry of his lines, he in fact releases them in their full glory, finding his mode of public address for the first time on "the greatest is behind" when informed about the new title of Thane of Cawdor.

I have always thought of the Macbeths as a comparatively young and ambitious couple, and Sara Kestelman complements her husband's professional attitude with stunning commitment. How the plot drives a destructive wedge through their relationship is the dynamic centre of the production: when Macbeth announces Duncan's murder with [illegible] natural calm, you see Miss Kestelman losing the essential grip on the situation, fearing even at this early stage for the consequences of wearing guilt lightly in public office.

Parallel to this disintegration of trust is the falling out between Macbeth and Banquo, sturdily played by Malcolm Storry. The banquet scene is beautifully staged and the ghost, who does not appear, is a fevered notion similar to that of the dagger. Chairs are upturned, wine spilled, the circular dining-room violently disrupted. Not just Banquo, but also the very strong Macduff of Peter Postlethwaite, gives off a fine sense of a community of fighting men whose stability has been threatened by one of them breaking the rules.

The costumes of Poppy Mitchell reinforce this picture, the men attired in serviceable leathers and braces. On attaining the throne, Bob Peck graduates to a high-necked red jerkin and Miss Kestelman swoops majestically down the stairs in a sumptuous fur coat, shrugging it nonchalantly from her shoulders on "Nought's had, all's spent." Her isolation from both the court and her husband is genuinely terrifying and, again, the sleep-walking scene benefits from a strikingly unhistrionic delivery.

Jonathan Hyde's original, blank-eyed Porter is one of the best I've seen, and there is a nice touch in assigning him the role of third murderer. In all, this is a most encouraging start to the season, a production of considerable intelligence and much unflustered excitement.

Sadler's Wells

The Gypsy Princess by RONALD CRICHTON

Kalman's *Gypsy Princess* in the English version of Nigel Douglas is back at the Wells as the first lap of an operetta season — Offenbach's *Grand Duchess* forms the second lap, in about a month's time. Kalman is silver-age Austro-Hungarian operetta, on a more mundane level than Offenbach at his best. I confess that in my case a weakness for Viennese waltzes (shared by most people) is balanced by an aversion from stage-Hungarian. When gypsy fiddlers begin to play my blood doesn't race but my heart sinks. That said, *The Gypsy Princess*, a firm favourite on the Continent, is a rather ingenious, pre-matrimonial tangle for three Imperial aristos and a cabaret girl, peppered with tickling tunes.

More important than the piece is the performance, which provides encouraging evidence that we have in this country a few young artists with a gift for operetta. The vague term "operetta" may really only signify a musical that has worn well, but the longer a work of this kind has worn the more stylishly it needs putting across. Operetta, far from being easy, is a hard and exacting discipline in song, dance and dialogue, as many an English opera singer has discovered in companies forced to be inclusive.

Nigel Douglas, who as well as being the adaptor, is part-producer with Tom Hawkes and plays the role of Baron Feri, is an experienced operetta singer, continental-trained. His skill comes as no surprise, but he and Mr Hawkes between them have coaxed some excellent and variously precise and sharp performances from Tudor Davies, outstanding as Count Boni, from Marilyn Hill Smith as Sylva Varescu the showgirl, Philip Gelling as Edwin her princely pursuer, from a talented newcomer Vivian Tierney as Stasi, from Joan Davies and Moray Watson as the princely parents, and from Jeremy Sinden in two small roles.

A small chorus and group of dancers (choreographer Sally Gilpin) are lively and decorative. Much the same may be said for David Blight's predictably Jugenstil sets and costumes (I don't believe for a moment that a couple like the old Weylersheim would have had their ballroom done up modern in 1914, but never mind). Barry Wordsworth conducts — he is lively too even if the full lilt and the ability to glide rather than just move into a new tempo (usually three-four) escape him. Some of Kalman's scoring, particularly in accompanied spoken passages and at ensemble climaxes is thick. Enthusiastic reception. Performances, with matinees, up to and including April 17.

Theatre Royal, Glasgow

Romeo and Juliet by CLEMENT CRISP

With John Cranko's *Romeo and Juliet*, Scottish Ballet has gained a realisation of the Prokofiev score well suited to company manner and forces. The staple repertory of ballets by Peter Darrell requires the Scottish artists to be vivid dramatic performers, and Cranko's production is in this same style. There is none of the ponderous grandeur of the Lavrovsky *Romeo*, nor the bleached abstractions of the Grigorovich recension; we can look in vain for the psychological intensity of MacMillan's characterisations (though MacMillan has acknowledged how Cranko gave him courage to make his own presentation), or for the dance-primacy of Ashton's creation for the Danes, or the renaissance flavour of Nureyev's crowd dances.

Cranko sought to tell the story in the most direct terms. He first made this ballet for the troupe of La Scala, Milan in 1958, then revised it for what had become his Stuttgart company four years later. Now, after two decades, the staging in a sense comes home, since it owes much to Ashton's achievement in establishing a full-length ballet tradition in Britain. Cranko's *Prince of the Pagodas* in 1957 paid more overt tribute to the myth and fairy-tale world of Ashton's *Cinderella* and *Sylvia*. With *Romeo* he first turned to a literary source for his theme; his acute sense of theatre showed him how to cut, edit, and impose his own lively dramatic scheme upon the Prokofiev libretto.

The result, as we know from the Stuttgart and Canadian National Ballet products, is bright, almost hyper-active choreography in the crowd-scenes, set in rather natty, meticulous design by Jurgen Rose, with the central characters seeming like corks bobbing on the frothing rush of the action. Without that emotional under-pinning which, in MacMillan, makes even the relationship between Tybalt and Lady Capulet intriguing, many of the Cranko characters are cyphers. Tybalt, Paris, the Nurse, the feuding families, are of no great interest; that they have any weight at all is credit to the Scottish artists. I suspect thta in every staging I know, Mercutio can walk (or dash) away with most of the dramatic and dance honours among the men, and so it proved in Wednesday night's first performance.

With his buoyant demi-caractere manner, his infectious enthusiasm for dance, and his quick emotional response to the action, Vincent Hantam made Mercutio a brilliant gadfly whose death was beautifully judged in reconciling indomitable spirit with physical pain.

But the tragedy must hinge upon the quality of the lovers. There can be no reservations about Elaine McDonald's Juliet. Miss McDonald's art is one of seeming simplicity; she possesses that rare gift for discarding the unnecessary, those externals of charm and winning ways—like the jewels that bedecked the Maryinsky ballerina—which might cloud her statement of a character's essence in dance. Thus her Juliet—not best served by a head-dress worn in an early scene—becomes a Shakespearean figure of gentleness brightening to passion, then burning with feeling the last act.

I shall treasure the moment when Juliet, fallen to the floor of her bedroom, is roused by Paris, who lifts her head. Miss McDonald gazed briefly at him, shook her head with infinite distress, and sank back to the floor: the girl's entire tragedy seemed present in this delicate, piercing gesture, so typical of Miss McDonald's sensitive art.

In matter of dancing, Miss McDonald opened her line fully to the choreography; in lightness as in emotional concentration, she was ideal.

Her Romeo was the Milanese dancer Davide Bombana. Very young in appearance, he makes Romeo a boyish figure, rather short on that passionate drive which must impel the youth through the tragedy. His dancing is well-mannered, immature; his stage presence not really strong enough to make a suitable foil for his Juliet, but this can come with experience and greater appreciation of the Cranko/Scottish dramatic style.

Riverside Studios

Silver Queen Saloon

For four nights, the Riverside runs the British premiere of a "musical western," first performed by the La Muma Company in New York. A major point of interest is that the music is by Graham Collier (played on an upright barrel-house piano) and has echoes of Brecht, Weill, Hollywood schmaltz, and, maybe, even Rodgers and Hammerstein. That is not to say that *Silver Queen Saloon* is an eclectic work — Collier is too individual a composer for that, but fans of the traditional American musical will take much pleasure in it.

The book, from La Mama's own Paul Foster, is by *Gunfight at the OK Corral* out of *Cat Ballou*. It includes brothel badinage, a shotgun wedding, an all-female wrestling match and a gunfight, all performed with panache by the young players of Riverside's Drama Studio and Theatre Design Course. I particularly liked Vicky Maisel as a kind of *femme fatale* of the dying West.

The first-night audience enjoyed it immensely. I looked around when the lights went up and realised I must be the only one in the house who remembers the first night of *Oklahoma!*

ALAN FORREST

Savoy

Noises Off by ANTONY THORNCROFT

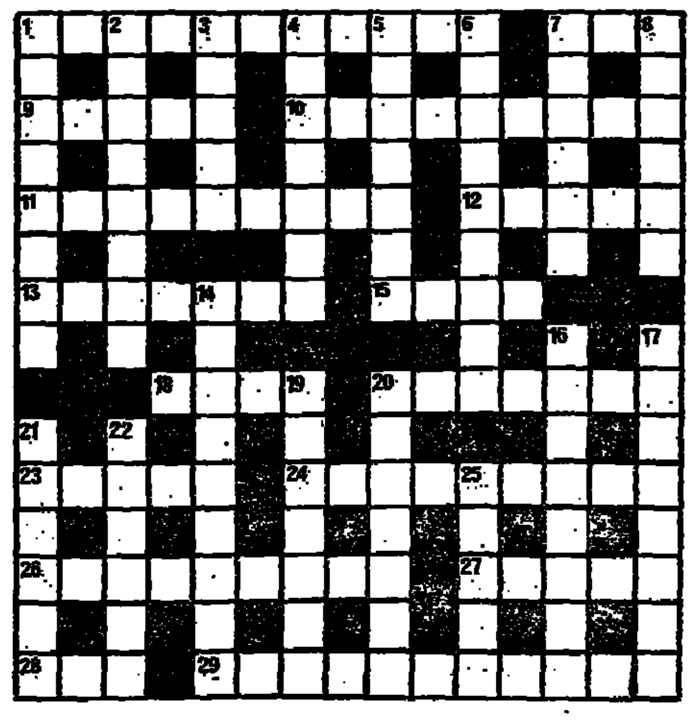
Michael Frayn's farce has moved swiftly from Hammersmith to the Savoy where it can expect a lengthy stay. It is an ambitious piece, almost an academic's farce in the challenges that Frayn presents himself with. For the most part he pulls it off brilliantly.

A second rate troupe of theatricals is opening in Weston-super-Mare with a standard slap-and-tickle farce, *Nothing On*. Frayn's play follows them through disintegration in Goole to absolute disaster in Stockton-on-Tees. Act 1 shows the last-minute rehearsal, with the tangled web of relationships between the players cleverly woven. The second act is behind the scenes during a matinee performance a month later with the director (Paul Eddington's) romancing exploding in his face, and the cast riven with lovers' tiffs. By the third act even the old pros. in the company have given up the ghost.

This farce within a farce is made even more complicated by Frayn's decision to make the first section a verbal joke, and the second a visual exercise in split second-timing and frenzied ensemble playing. They are both very successful. By the third act his resource has almost dried up. The ending has been changed for the West End and the decision to keep the players in character, rather than let them step out of both plays in a Pirandello fancy, is an improvement. Even so there is a feeling of strain in the last minutes, a falling off after such exuberance.

The characters are so well constructed early on — the juvenile lead who cannot finish a sentence; the mother figure who blows all the noses and pats all the shoulders; the aged star who floats through the whole thing — that we want to follow their adventures. Instead we lose sight of the personalities in return for skilled technical gymnastics from an excellent cast, with Nicky Henson, Tony Mathews and Jan Waters particularly effective in Michael Blakemore's funny, frantic production.

F.T. CROSSWORD PUZZLE No. 4,838



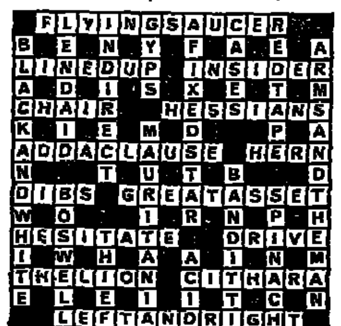
ACROSS

1 Undercut and makes narrow strips of wood (6, 5)
7 and 28 Juice for each private soldier (6)
9 Smut, hard on lead pencils indeed (5)
10 Nylon extruder making pinafore in set (9)
11 Scatter a large group of actors (9)
12 Fur initially bought in an auction (5)
13 Give a false impression under the surface and go to bed (3, 4)
15 Be idle, zeal is all wrong (4)
18 A way to work and fret (4)
20 Misplaced decimal in an examination (7)
23 Blast a good, trusty fellow (5)
24 No, nothing to a man of great courage, would produce this tremendous number (9)
26 The drink for a special course (9)
27 A marble passage (5)
28 See 7 Across
29 The cost of deep-sea diving? It could kill you! (5-6)

DOWN

1 German soccer or fungus (4-4)
2 Examine cursorily and seem to be at an end (4, 4)
3 Wrongly hoped to make a surplice (5)
4 Provide for a mark around us (7)
5 Detectives turning up in late reversal as a result of a proclamation (7)
6 Extra-large ruler to be measured (4-5)
7 Score from a card-game in the South-east (6)
8 A club wherein one must softly speak (6)
14 An expanse suitable for a picnic (9)
16 Bronze-like lustre in cooler from the south (8)
17 Card game for a very rich source of wealth (8)
19 Drink up and fight (5-2)
20 Head of state gets on in a month (7)
21 Incite, possibly to make us trip (4, 2)
22 One who polishes a ship's fender (6)
25 Drain meadow above church (5)

Solution to puzzle no. 4,837



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Promises of arms control

PRESIDENT RONALD REAGAN has reaffirmed his commitment to negotiate with the Soviet Union a strategic nuclear weapons treaty. This is a very welcome gesture which may go some way towards reassuring those in Europe, and now in the U.S., who have become alarmed at what they perceive as the bellicosity of the American Administration. But it is not clear that his news conference on Wednesday night represents any substantive change in the official U.S. position, and there is room to question whether it is much more than an attempt to win back some of the ground which the President has been losing to his critics.

Qualification

The general thrust of President Reagan's position on strategic nuclear weapons as of last November was that the U.S. wanted major verifiable reductions by the two sides to equal force levels. That still seems to be the general thrust, though his formulation this week sounded rather less forthright than four months ago. He praised the Senate resolutions submitted by Senator Jackson and others (calling for major verifiable reductions), but his praise was hedged by the qualification that this was "an important move in the right direction." It is not clear whether this qualification represents any significant modification of the earlier position.

What is clear is that the President's statement, and the Jackson resolution, were at least partly inspired by the Administration's need to reassure public opinion in the U.S. Anti-nuclear protest movements, hitherto rather insignificant in America, have started spreading rapidly, and the Jackson resolution was itself designed to counter a resolution submitted by Senator Kennedy calling for a nuclear weapons freeze. Coincidentally, the American-inspired International Physicians for the Prevention of Nuclear War are holding their second congress at Cambridge in Britain this weekend with the participation of leading doctors from a number of countries including the Soviet Union.

Reluctance

The psychological impact of President Reagan's statement this week is likely to be considerably weakened by his reluctance to name any clear target date for the opening of negotiations with the Soviet Union. Last November he was aiming at beginning early in the New Year, but the planned discussions on the subject between the American and Soviet Foreign Ministers were called off by the U.S. because of the crackdown in Poland. Now President Reagan says that the U.S. may "possibly" be ready to propose a meeting by the summer.

His explanation for this further delay is that it takes a lot of preparation to start such a negotiation, and undoubtedly this is true. Given the asymmetries in the arsenals on the two sides, it cannot be easy to develop a position which is radically different from the outcome of SALT II, which would lead to large and verifiable reductions, and which would be negotiable with the Soviet Union.

But there are no doubt other factors at work. As far as timing is concerned, President Reagan may well be reluctant to start negotiations while his rearmament programme is under attack in Congress on budgetary grounds, though it is difficult to believe that this particular attack will recede before the November mid-term elections are out of the way. But there is also continuing dispute in principle within the Administration over the relative priorities of arms control and rearmament.

Neutralism

The emergence of an anti-nuclear protest movement in America is bound to be secretly welcomed by many European governments—if only on the ground that it makes it much more difficult for American officials to sneer at what they describe as the incipient neutralism of Europe. What is striking about the movement is the way it has penetrated significant strata of the American intelligentsia, to the point where even so traditionally conservative a publication as Time Magazine has started to take a profoundly sceptical, at times critical, view of the Administration's nuclear posture.

Whether this popular pressure will affect the instinctive thinking of the conservatives in the Administration is open to question. But it should help to keep up the pressure for practical steps in the direction of arms control.

Union power and the new Bill

LEADERS OF Britain's 11m TUC-affiliated union members meet at Wembley next Monday to commit themselves to ignoring the forthcoming employment legislation and to punishing employers who observe it. Their most urgent thought—which Mr Len Murray, the TUC general secretary, has been frank enough to confess—is how many of these millions will care to follow the Wembley lead.

On the formal level, the leaders will reflect that the omens are good. No TUC union—with the partial exception of the actors' union Equity, which is as impoverished as many of its members and has thus applied for TUC-forbidden state cash for the ballots it prizes—will oppose the programme of opposition to the Bill which the General Council has already approved. Importantly for the TUC, management affiliates like the First Division Association (senior civil servants) and the British Association of Colliery Management have gone public in their opposition to the Bill.

Collapse

Down at the bargaining face, where real strength is proved, there is cause for union concern. The all out strike of its 30,000 members called by the Transport and General Workers Union at Heathrow formally collapsed yesterday, after a belated recognition by the 1,700 baggage handlers that their seven-week industrial action had been undercut by volunteer labour drawn from other sections of British Airways' workforce. Union officials, under pressure from the TGWU's militant lay executive, publicly supported the strike and assisted their members to achieve a seven-week loss of wages for nothing.

Elsewhere, highly publicised events like the miners' vote against strike action on pay, the collapse of industrial action at BL, British Shipbuilders and among tanker drivers, together with countless local disputes which have faded away or never taken off, have underlined the difficulty of mounting militant action in current economic circumstances.

Will the employment legislation, then, be allowed to bed down without effective challenge, as the Government hopes? Interestingly, the current negotiations on a new procedure agreement at BL afford a preview of the possible impact of the Bill on the shop-floor.

Anxious

Union negotiators at BL are putting the agreement out to delegate conferences without a recommendation to accept because the company has declined to write in clauses guaranteeing a closed shop and laying down that all contractors' labour be unionised. The unions are attempting to win these new concessions before the Employment Bill becomes law.

The fear is that the Bill, by greatly raising compensation payments to workers dismissed for not joining a closed shop which does not have the overwhelming approval of its members, and by banning the practice of specifying union labour only among contractors, will weaken the unions' power at least as much as unemployment has done.

BL management has clearly been anxious to avoid being squeezed between Government and unions, and is thus refusing to give official recognition to closed shops or to lay down unionisation among its contractors. It must be doubtful whether the BL unions can mount sufficient industrial disruption to make management change its minds.

Liberty

The closed shop is objectionable both as an infringement of individual liberty and as an artificial prop to union power — one which is not available to, nor apparently needed by, strong union movements in other countries. The new Bill, building on Mr James Prior's Act of 1980, extends the protection for individual employees and obliges unions to seek specific support from their members for closed shops. Implementing these provisions may well cause difficulties in some industrial situations, but they represent a necessary change in the legal framework in which unions operate.

BRITAIN'S HEALTH SERVICE

Why money is being wasted

By Gareth Griffiths

THIS WEEK the National Health Service is being reorganised for the second time in less than a decade in another attempt to boost efficiency in Western Europe's largest single employer. With nearly a million employees the NHS now has a "turnover" slightly larger than ITT, the major U.S. company.

Current NHS spending in England alone is an estimated £11.1bn for 1981/82, equal to the combined turnover of BAT Industries and the Imperial Group, the UK's third and sixth largest industrial companies respectively.

Some 74p of every pound of NHS spending goes on salaries and wages, compared with only 3p on drugs, 6p on medical and supply equipment, 5½p on laundry, food and hotel costs, 3½p on fuel and water, 4p on general services such as rates and telephones, 2p on estate management and 2p on vehicles.

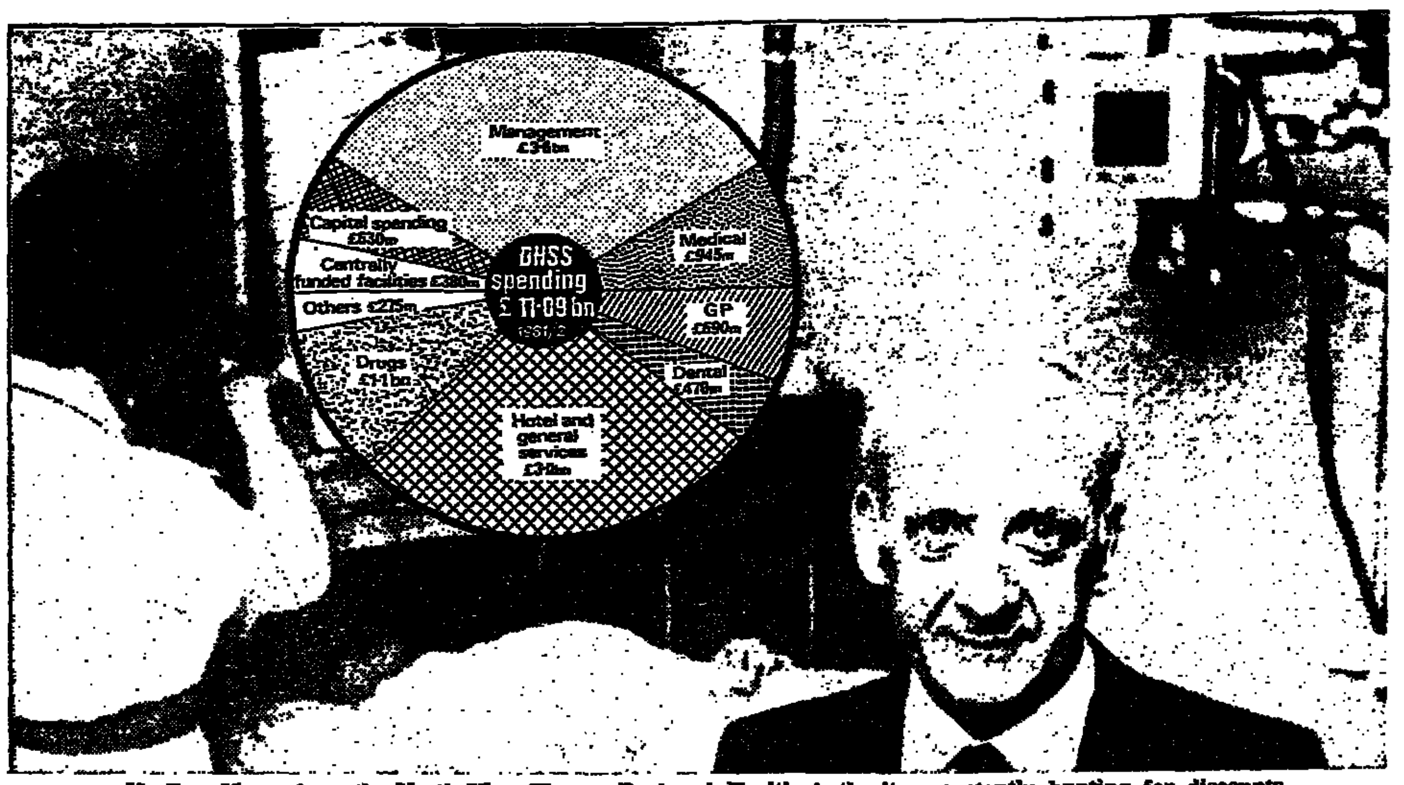
But how wisely does it make spending decisions? And could it be of greater benefit to British supply industries? The answer is far from straightforward, and reflects both the health service's localised structure and the variety of professional groups represented in the NHS. Among the most important elements are:

● The Department of Health and Social Security estimates that between 5 and 10 per cent of drugs ordered by the NHS each year are thrown away. The Kent Area Health Authority, for example, collected 3m unwanted tablets and capsules and 50 gallons of liquid medicine from its patients in 11 days when it ran a campaign to collect unwanted medicines.

● The NHS in England spends some £250m a year on provisions. Studies in the late 1970s suggested that one-third of this food was wasted.

● NHS supply officers believe 80 per cent of all products bought are "common use" items with no need for significant differences in specifications. But only 60 per cent of purchasing is done through coordinated bulk purchasing schemes. A Government committee in 1978 said that coordinated buying can cut prices by a minimum of 6 per cent.

● Most of the 230-plus companies in the medical equipment supply industry are dependent on the NHS as their biggest customer. But the NHS has been buying much more abroad, particularly at the more sophisticated end of the equipment market. For example, some 90 per cent of NHS X-ray equipment is imported as is 95 per cent of pathology laboratory equipment. Philips (Holland) and Siemens (West Germany) are often more common names in British hospitals than EMI or GEC. In 1979 the UK imported medical equipment worth £49m out of a total of £145m spent, while between 1975 and 1980 the imports of all surgical instruments rose from 23.6 per cent to 38.6 per cent. The NHS habit of delaying equipment purchases until the second half of the financial year causes bunching problems for manufacturers unsure of production lengths due to the fragmented nature of orders.



Mr Tom Myers from the North West Thames Regional Health Authority: constantly hunting for discounts

There have been no fewer than six Government inquiries into NHS purchasing, each repeating the same type of criticisms of the system as its predecessors. The last—published in 1978 by Mr Brian Salmon, the former chairman of J. Lyons—was stern in its criticism. The purchasing system was too fragmented, too many people were making decisions about too many small orders and too many different products. The result was uncertainty for manufacturers and a lack of potential large-scale economies.

The savings that can be made are illustrated by the experience of the North West Thames Regional Health Authority, one of the 14 authorities in Britain which sets overall strategy. Mr Tom Myers, the official in charge of supply purchasing, has introduced what he considers to be "normal" industrial purchasing policies; prior consultation with all the users, taking a tough line over equipment that does not meet specifications laid down by working parties and a constant hunt for discounts.

Health service administrators in Whitehall regard the result as almost revolutionary. To take just one example: on a three year rolling programme of £1.29m for diagnostic X Ray equipment, North West Thames has saved £254,196 or 19.76 per cent on the price it would have paid under DHSS contract prices.

"We have saved £27,000 on expenditure of £69,000 on automatic processors and £190,874 on medical and scientific equipment in 1981," says Mr Myers.

The DHSS is watching the North West Thames schemes with great interest and concedes most of the criticisms over purchasing. But it is distrusted by many health service staff in the field and so government efforts to improve the system are being channelled through the Health Service Supply Council, set up in July 1980, which is independent from the DHSS.

The Supply Council is supposed to advise the health authorities on the most economic way to purchase supplies and at the same time foster the UK health care industry in line with the Government's public purchasing strategy of using public spending to boost specific British companies whenever appropriate.

> "My wife is given more information when purchasing a kettle than I am when buying equipment worth thousands"

But the Bristol-based Council has virtually no teeth. It required the regional health authorities to submit plans on their purchasing policies by the end of last year but its 16 staff have no power to enforce these plans. Only one health authority, Trent has so far actually gone ahead with a Council-approved plan. And the Council is viewed with deep suspicion by many of 192 new English district authorities which came into formal existence yesterday.

The health authorities are already jealously guarding their responsibility for the day to day running of the health service including the hospital services, general practices, paying opticians and dentists and planning detailed health priorities within their geographical areas.

Despite this the Supply Council is optimistic. "There are tremendous areas for improvement and we have got to work closely with industry. We do not want to squeeze manufacturing profits but we can save a lot of money which will be available for patients' health care," says Mr Alex Campbell, the chief executive, who has a budget of only £300,000 a year.

"Changes could be brought about, given the corporate will and encouragement. But I find among my colleagues that each of them collectively or individually still believes that change is necessary only as long as it is what each of them wants," he told last year's Institute of Health Administrators' conference.

This highlights the difficulty the Supply Council faces. The centralised DHSS purchasing system in the health service works mainly on a system of so-called "call off" contracts—contractors are not given specific quantities to supply and there are no legal obligations on the part of any health authority to buy a specified amount.

The British medical equipment supply industry feels that it is adversely affected by this NHS approach. Manufacturerers, most of whom are fairly small companies, have to stock items that perhaps only a handful of doctors use. One instruments manufacturer stocks some 15,000 separate types of equipment in his range.

This problem of stocking is also partly a reflection of the fiercely guarded doctrine of clinical preference under which the medical profession can chose the equipment it wants.

Mr Brian Lewis, a consultant anaesthetist at Ashford, Kent and a member of the Supply Council, argues that clinical preference is not the major stumbling block as many administrators suggest. Doctors have three key considerations in choosing equipment he says—it has to be safe for the patients; doctors need to know whether the equipment will do what the manufacturers say it will do; and the equipment has to be used at potentially the lowest level of medical competence, i.e by a nurse in an ill-lit ward in the middle of the night rather than by a top consultant.

"My wife is given more information about the product when she buys an electric kettle than I do when I am purchasing an item of equipment costing tens of thousands of pounds," he says. He attributes part of the blame to the backlog of work at the British Standards Institution which means that many British made items have not been tested and therefore cannot be used under DHSS rules. But foreign equipment can be used if it has been passed by the relevant national inspecting authority.

The problem is made worse by the fact that medical equipment technology changes quickly and by the time the BSI examine a product, that product has been superseded. BSI standards for urinary catheters used in general practice have long been superseded, for example.

Doctors say they therefore depend for much of their information on the equipment trade press, academic papers and even on the glossy colour brochures put out by the manufacturers.

But, while the NHS is continually criticised for its approach to equipment supplies, it earns international plaudits for its rough approach to the pharmaceutical industry. The DHSS has a central list of contract prices it will pay for drugs and is quite prepared to use its £1bn-plus a year negotiating power.

The Office of Health Economics (OHE) which looks at the health sector on behalf of the pharmaceutical industry, finds on balance that the NHS and the drug companies have established a satisfactory relationship.

The OHE suggests three crucial differences between drug suppliers and medical equipment supplies: drug negotiations are between a few large companies and the DHSS and the companies are better placed to take advantage of economics of scale.

The UK remains in the big league of drugs innovation along with West Germany, the U.S., Japan and Switzerland. The trade balance is encouraging with exports in 1980 worth £756m and a surplus of £500m. This means that manufacturers are able to spread their costs to the advantage of the NHS.

But a recent medical equipment study commissioned by the DHSS from Mr John Hutton of York University's Institute of Social and Economic Research, found that the most alarming trend was that UK companies are falling behind the U.S., West Germany and Holland in sophisticated technology.

"I get the impression from British companies that there is a lack of communication and the feeling they have that the NHS must remain completely impartial regardless of the long-term consequences. When you look at the Supply Council, for example, even that has only one member from the medical equipment industries," Mr Hutton says.

The Department of Health now appears to be pinning its hopes to the view that financial pressure on the NHS will force officials and doctors to look more closely at spending. But the continuing lack of central control over financing, the diffusion of management power and the generally small-scale nature of the medical equipment industry suggests otherwise. The conditions for change have scarcely altered despite Health Service reorganisations—and those six Government reports.

Men & Matters

Banking on Richardson

Behind the Central Banks' cloak of secrecy, I hear, Gordon Richardson is busily confirming his reputation as the most internationally-minded Governer of the Bank of England since Montague Norman.

Richardson took over at the beginning of the year as chairman of the rich countries' "club"—the Group of Ten and Switzerland—which meets regularly at the Basle-based Bank for International Settlements.

The move was seen mainly as a gracious gesture to one of the most senior members of the central banking circuit. Richardson is 66 and his term of office in Threadneedle Street expires next year.

Some of his colleagues were also keen that the soft-spoken Richardson should act as a foil to the sometimes irascible Fritz Leutwiler of the Swiss National Bank who took over as BIS president at the same time.

But since taking the chair, Richardson has been taking some initiatives of his own. Though he may still be seen in the lounge of Basle's plush Hotel Euler entertaining fellow governors with a string of scholarly witticisms, he has turned the "club's" regular Monday night dinner party into a more serious affair.

To bring up to date those bankers who do not attend all BIS meetings—and those who might nod off during them—Richardson now presents a report of the day's proceedings. Much of his table talk seems to be drawn from the notes of Anthony Loehnis, the Bank's executive director on the international side, who is well-known for his elegantly-phrased minutes.

From that new departure, Richardson has gone on to suggest that all critical communications to the U.S. on such subjects as interest rates and budget deficits could be channelled through him.

The "club," impressed by his diplomatic talents, has agreed. But if President Reagan has got the Richardson message, he has yet to show that he is taking any notice of it.

Dry humour

What a rich seam of gullibility the South China Morning Post exposed in Hong Kong yesterday with an April Fool's Day spoof.

Hong Kong is currently suffering from tight water rationing following poor rainfall in recent months. But, the Post proclaimed, a solution was in sight. Scientists had discovered a scheme to seal and tap the clouds of mist which on most days enshroud the island's peak.

Despite possible adverse effects on property values, the Post continued, the Government had given the go-ahead. Antennae erected on the peak would use electrical discharges to gather the clouds and drain them.

A second phase of the scheme, the Post reported, would involve gathering more clouds from surrounding regions by means of a weather satellite over India. And as a back-up for the next dry season, packets of powdered water were to be imported from China. "Add a pint of water to the powder and it gives you 10 pints of perfectly drinkable water."

Hong Kong's citizens were fascinated by the report. And a steady stream of callers rang the local "Open Line" radio programme to discuss the pros and cons of the plan.

How surprising that it had taken so long to develop dehydrated water, trilled one lady in all seriousness. Jolly useful for mountaineering expeditions, too, she suggested.

A tourist from India swore he would not leave Hong Kong until he had been given assurances about the satellite over his home country. But the most intriguing — and solemn — contribution came from a lady who said that powdered water was fine but the pumps needed to supply it were complicated and expensive. How did she know? She had been using it for years, she claimed.

"Take me to your leader!"

Post haste

No shortage of jobs in one part of Europe, it seems. Prince Franz Josef II opened the Liechtenstein Parliament yesterday promising the country's 24,000 population votes for women, abolition of the death penalty and a more active foreign policy.

Prime Minister Hans Brunhart promptly added the hitherto defunct post of Foreign Minister to his other Cabinet portfolios — Interior, Education, Finance, Culture and Construction.

Imperial past

After a wearisome winter Poles have been given a reminder of the country's more glamorous past by the arrival on the Warsaw diplomatic circuit of Count Dietrich von Bruhl. He is the new number two at the West German embassy.

Von Bruhl is a direct descendent of Heinrich von Bruhl who was chief minister and a power behind the throne of King Augustus III, of Poland and Saxony.

Polish historians these days regard the union between the two kingdoms without much enthusiasm. The reign is remembered chiefly as a time when Poland slid from influence on the European scene. The original von Bruhl also gets mixed reviews from historians. They tend to suggest he was a little too self-seeking.

Another diplomatic link with those days used to be the Bruhl palace, bought by Heinrich in 1750, near the King's palace. The Bruhl palace served later as an embassy for Tsarist Russia and for the French, and in the 1920s and the 1930s it housed the Polish foreign minister. Alas no trace of the old palace remains. After surviving the Warsaw uprising intact, it was destroyed by the Germans in November 1944 when Hitler planned to raze Warsaw from the map.

Cover note

A prudent lot, insurance men. And with about 1,000 of them due to gather in London later this month for the World Congress on Insurance Law the risks of anything going wrong have been well covered.

Congress director Gordon Shaw tells me he has negotiated £150,000 worth of cover against cancellation and well over £1m on public liability once the show starts.

I trust he has covered the fine print of the policies as well.

Observer

POLITICS TODAY

Unholy alliance against Jenkins

By Malcolm Rutherford

Terry Kirk

"... a vote for the SDP is a vote for Mr Tony Benn": Mr Dennis Skinner (right): muttered audibly throughout

THE House of Commons is a marvellous place for exposing pretensions. Shortly after Mr Roy Jenkins' by-election victory, a senior Conservative said that although the Tories had failed to get him in Hillhead, he would certainly be nobbled in Westminster. And on Wednesday afternoon it duly happened.

Mr Jenkins rose to query the Prime Minister's performance at the meeting of the European Council in Brussels. He went on too long. He made relatively minor points in the wrong context—something about microelectronics, another about the channelling of British aid through the Community, and the third point is forgotten. Mr Dennis Skinner, the Labour MP for Bolsover, muttered audibly throughout—just as the Tory had predicted that he would and almost as if there were a two-party conspiracy to keep Mr Jenkins down.

Mrs Thatcher had no difficulty in answering and Dr David Owen, who used to lead for the Social Democrats until Mr Jenkins' return, was not visibly displeased. The first intervention of the Prime Minister in waiting had been less than triumphant.

Of course, Mr Jenkins will recover, though he will continue to find the chamber of the House of Commons a hard place in which to operate. He can be surrounded by Tribunites—Left-wing Labour MPs. Mr Enoch Powell, the most commanding speaker in the House, sits behind him. The Tories are hoping that Mr Powell, as well as Mr Skinner, will have a go at him; so probably is the Labour Party.

Moreover, however hard the Speaker tries to be fair, the House is still arranged as if it were a two-party system. Social Democrats tend to be called to speak late, and not all that often. Mrs Shirley Williams has made no impression whatsoever since her return from the by-election in Crosby.

It will be an interesting test to see whether Mr Jenkins is now given precedence over Mr Powell or (say) Mr Julian Amery and Mr Maurice Macmillan, two former Tory Ministers who seem to be given an inordinate amount of speaking time. The Speaker's lot, in a multi-party system for which the House was not devised, is not a happy one.

What happens on the floor of the House of Commons does matter. True, it is a two-way exchange. In part, MPs are reflecting the views that they bring back from their constituencies. But there is also a way in which power moves outwards from the House. If Ministers are not on top at Question Time, confidence in their party tends to be rattled. The present system is not a favourable one for the SDP.

Anyway, the point is that all guns are now being turned on Mr Jenkins, and if there is an unholy alliance between Tories and Labour, that's the way it works.

The Conservative view of the Hillhead result is that the party did very well, considering what might have happened. Last December, when the by-election was first being mooted, some Scottish Tories were suggesting that the Government might well come a poor fourth—behind the Alliance, Labour and the Scottish Nationalists in that order.

In the event, it came a creditable second and is now, if not always ahead, at least on level pegging with Labour and the Alliance in the national opinion polls.

You would have thought that, chuffed by their remarkable recovery, the Tories would now be planning an election strategy. The general election, after all, is at most two years away. But in Mrs Thatcher's party it doesn't quite work like that.

There is a liaison committee of senior Ministers which has recently been reconstituted. It was originally set up by Mr Francis Pym when he took over responsibility for co-ordinating government information policy at the beginning of last year, but then it lapsed. It was re-founded a couple of months ago, with Mrs Thatcher deciding to take the chair, and has been meeting about once a week.

Yet it is still not much more than its name implies. The idea is that Ministers should appear before it and say what is coming up in their own field. Hopes that it may become an embryonic election strategy committee have not yet materialised, though they may in time.

> The Tories behave as if it were still a two-party system which manifestly it is not

One of the reasons for the delay is the Prime Minister's insistence that if the Government is doing what it believes to be right, the rewards are bound to come. This reliance on moral rectitude is beginning to irritate some Ministers, who think that there is also a need for a certain amount of organisation and electoral preparation.

Still, some themes are becoming clear. The most striking is that a vote for the SDP is a vote for Mr Tony Benn. The Tories now regard the Social Democrats as their enemy number one. The explanation is that the SDP is seen as fishing in Tory waters.

There is thought to be a solid Labour vote which has now touched bottom and which may well recover as the election approaches. Any further SDP inroads are therefore likely to be made among potential Tory voters, with the possible result of letting in the Labour Party by default.

There are some signs of Tory success here, at least as far as fund-raising is concerned. The latest Conservative Party accounts are likely to show a substantially reduced deficit — perhaps £150,000 against some of the seven-figure sums of recent years.

It is only partly because Central Office has cut expenditure. Money is said again to be flowing from industry and the City and the argument being used as Tories go round the boardrooms is the familiar one: support for the SDP could pave the way for Mr Benn.

Some companies which had thought of dividing their political donations between the Conservatives and the Social Democrats are now being talked out of it. Certainly money looks like being a major problem for the SDP.

Another theme is law and order. Here Mr Jenkins is regarded as a sitting target because of his record as a "permissive" Home Secretary. That adjective is unlikely to be forgotten and the only question is whether the Tories go too far and seek to blame him for all the crimes that have happened since. At present, Mrs Thatcher seems to be divided between loyalty to Mr William Whitelaw, who is a reforming Home Secretary, and a desire to exploit the issue.

Some other incipient themes are more constructive. For example, there is a hankering to play up the business of "ownership" — not just the selling of council houses to tenants, but also management buy-outs and the old Liberal idea of employee purchase of company shares.

If there is another Employment Bill before the election — which is doubtful — it will be presented under the same "ownership" theme of giving the unions back to their members. The more probable course is that this will form part of the election manifesto.

As for the number out of work, the Tory view now tends to be that while it is unquestionably the make or break issue, the party has survived remarkably well so far with a level of 3m. In future it will be a matter of spreading the blame on the profligacy of previous governments, making international comparisons, and trying to see that the figure does not get any higher.

The theory is that the electorate will see even a small reduction a reversal of the trend.

There remains the next Budget, possibly the last before the Election takes place. Here it is no longer an argument between wets and dries in the Cabinet, and has not been for some time. It is rather that some people think that it makes political sense to give something to the electorate before going to the polls.

The view tends to be that, as a result of the Budget last month, the Chancellor has a certain amount of headroom: inflation could be lower, and economic growth could be higher than predicted. There is also some optimism about the buoyancy of Government revenues, which suggests that he could afford to be generous.

As yet, however, these are still inchoate thoughts. There is no election strategy as such and no plans to put out documents like The Right Approach as in the run-up to the last election. Mrs Thatcher regards all that as work already done, the main task being to get on with the job. As for Central Office, it has only just begun to look around for outside advisers to possible policy panels.

Nevertheless, the Tory Party continues to be in astonishingly good heart. My own view is that it was wrong to be quite so down in the dumps last winter—support in the country had held up quite well—and is mistaken to be quite so euphoric now. It is all a little mercurial and a great deal could go wrong in the next two years. In particular, the Tories may still be underestimating the challenge of the Alliance. They are trying to behave as if it were still a two-party system, which manifestly it is not.

Meanwhile, after Easter, there will be the tests of the local elections and the by-election in Beaconsfield. The word from Central Office is that the Tories should hold the latter with a majority of 7,000—after over 21,000 last time. It should certainly tell us something about the readiness of Tory voters to defect to the Alliance.

Lombard

How to manage uncertainty

By Christopher Lorenz

ECONOMIC FORECASTING has come a long way in the last 30 years—but not far enough. The sweepstake which senior British Treasury officials reputedly ran in the 1950s has long since been consigned to the annals of unofficial history. It was replaced by a generation of increasingly sophisticated computer models—which produce predictions which often come no closer to the actual outcome than doing the football pools with a pin.

In the last few years forecasters have tried to repair their tarnished reputations by pointing out how possible variations in certain of their key assumptions—oil prices, exchange rates, government policy and the like—could affect their calculations. Terms like "variables," "sensitivity analysis," "deviation" and "margin of error" have gradually crept from their inner consciences into their public vocabulary.

But, as with the set of Budget representations which the CBI made to the Government in February, they almost invariably still work from a single central forecast. Whatever qualifications they may give to their clients, it is their base case which sticks in the mind, and which tends to be used for decision-making. No-one likes contemplating uncertainty, let alone trying to live and work with it.

Now a pillar of London's merchant banking fraternity, Schroder Wagg, has gone the whole hog by producing a 10-year study on the world economy which is based on two radically different "scenarios" of world developments, with starkly contrasting assumptions, consequences and implications.

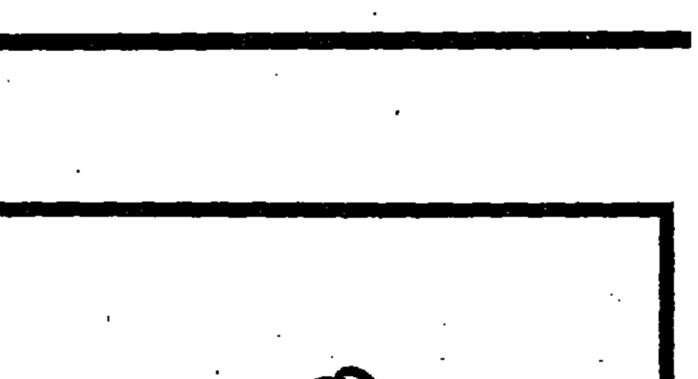
"We consider that the scenario approach to assessing the future is more instructive than attempts to produce misleadingly precise single-point forecasts," says the study, whose main author is a youngish former Treasury economist, Mr Andrew Richardson.

Shroders' conversion to the "multiple scenario" technique comes a good decade after it was pioneered by a handful of far-sighted multinationals, notably Shell. Though a good 150 out of the Fortune top 1,000 U.S. industrial corporations were using it by the end of the 1970s, it has taken a long time to work its way down their hierarchies from the chief executive's office and the planning department.

Despite the obvious truth of Shell's maxim that it is impossible to forecast anything other than extremely short-term in today's business environment, it is not difficult to see why scenarios have been slow to take root. For one thing, they are short on "hard" statistics and long on "soft" discussion—and every line manager wants facts, not opinions.

Then just look at the diagram of two of Schroders' main scenarios, on world output. They obviously have markedly different implications for Government and corporate policy at every level. Yet the

Its intention is the same as Shell's: to provide a framework for assessing uncertainty, within which managers can take decisions which are resilient to both scenarios, and to the range of eventualities which lie between them. It's a tall order, certainly, but a very necessary one if companies want to maintain some control over their destiny.



Letters to the Editor

£6bn business rates bill adds to unemployment

From the Deputy Director-General, Confederation of British Industry

Sir,—I never thought I would ever wake up to find anyone seriously suggesting that business rates should be increased still further. Yet this is exactly what Dr Douglas Mair of Heriot Watt University (March 30) is doing.

Readers might like to know that business rates have gone up by 40 per cent in England and Wales in the past two years, and the figure for Scotland is 80 per cent. Inflation for these two years is under 25 per cent. And rates are expected to rise by a further 13-15 per cent in 1982-83 (without any assistance from Dr Mair).

Business rates have now reached the level where they are contributing to redundancies and company closures.

The fact is that business paid £5bn in rates in 1981-82. In 1982-83 the bill will not be far short of £6bn. In both years this is more than business paid in corporation tax. Rates are now the heaviest impost on business, unless we regard employers' national insurance contributions as tax.

Rates paid by industrial and commercial companies as a proportion of real profits (before tax and interest payments, but excluding North Sea activities) have risen from one-sixth in 1969 to well over a half in 1980, and close to two-thirds in 1981.

Dr Mair would do well to examine the camel's back before urging that another bundle should be placed upon it.

Bryan Rigby.
Centre Point,
103, New Oxford Street, WC1.

Industrial development needs clout

From the Chairman, BSC Industry

Sir,—In his Budget the Chancellor said: "The small industrial workshops scheme has been a tremendous success," then "I have been impressed by the value of the work done by local enterprise trusts," finally: "The self-employed, along with small business, fully merit extra encouragement."

To repair the damage done by essential steel closures, BSC Industry has assisted nearly 1,000 companies (mainly small), created 400 workshop units, and is developing 10 local enterprise trusts. All this, with the help of many others, has created over 24,000 new job commitments, with many more to come.

In the process of business development we have learned if you have no clout you are barely credible. If you have access to even a small amount of money for seed capital, workshops, consultancy, marketing and a small staff of businessmen, you will attract inquiries from entrepreneurs, old and new (without which you are impotent) and you will get results.

If you can get some single-storey, unused business premises, convert them cheaply into workshops with 1,000 sq ft average size and let them with a three-month break clause to first-time small business people. These are the seed beds, and not all the seeds will "take," but many will and go on to bigger things. Have a good manager to steer and encourage the beginners.

If you have no workshops, you can encourage, advise and put together financial packages for entrepreneurs in any area, but enterprise zones and development areas do offer special attractions, and there is cheap money available in the EEC.

If you are bureaucratic or inflexible you won't get far. Small business people won't hang about. Any help must be quick, practical and business-like; delay is damaging; secondees from banks and companies are invaluable in this work.

If you are trying to go it alone you will be disappointed. A co-operative effort, including local councils, industries, banks, colleges, trade unions, government agencies and increasingly local enterprise trusts will attract and convince new firms that their project will get real help on a "hands-off," but on-hand basis.

If you are a centraliser you will do less well than a local effort, properly manned and organised. The centre can help with contacts, marketing, personnel and last resort funding, but the greater the local effort the better the results.

If you are looking for seed capital, try an unsecured term loan at around 10 per cent; the real rate of interest (allowing for inflation) is nil; being unsecured bring it next to the equity; the term makes it re-usable; you could attach a warrant giving a right to some equity. If you want results in new business, innovation, new hope and new jobs, that's the boy — and better than grants!

The small business population of Britain is about one-half, pro rata, that of Germany or France, or America or Japan. Think of the catch-up possibilities in wealth, innovation and new jobs! What we are short of is entrepreneurs; therefore, the more business development agencies there are the better; they make the market and give entrepreneurs the ideas and encouragement and the chance to shop around. The Chancellor is right.

(Sir) Charles Villiers.
BSC Industry,
9, Albert Embankment, SE1.

Building society elections

From Mr C. Punt.

Sir,—As a candidate in the recent election of directors of the Nationwide Building Society I read with interest the letter (March 27) from Mr Cyril English, chief general manager.

Mr English outlined the procedure in such elections, giving every appearance of true democracy. He asserted that the "overwhelming majority of members" wish the board "to select persons to be suitable and able directors of the society and to commend their choice to the members."

I have searched in vain for the evidence to support this view. The recent results gave Mr Eric Cessford, deputy chairman and a board member for 30 years, some 70,000 votes. I acquired 26,000 votes as a previously unknown candidate described by the board in the material sent to all members as "someone without the necessary knowledge and experience of the affairs of Nationwide Building Society or of building society operations generally."

Given a membership of 2.8m Mr Cessford's "vote of confidence" amounted to 2.5 per cent of the membership compared with my vote of about 1 per cent.

The board's view of the members' real wishes could have been tested in the recent elections. Mr John Page from the Bank of England who has been appointed as a director from April 1 could have been offered as a candidate with board endorsement. The present system of appointments and co-options ensures no real test of members' feelings ever takes place. The rule insisting on multiple voting also protects the status quo.

C. F. J. Punt,
Dunster, Chaddiford Lane,
Barnstaple, Devon.

The argument about lead in petrol

From the Chairman, Campaign for Lead-free Air

Sir,—You have now published four letters from Associated Octel employees attacking CLEAR's campaign to eliminate lead from petrol. While CLEAR is motivated by concern about the health risk to children, Associated Octel exists to make a profit. We have no philosophical objection to profit — our concern arises when it is achieved at the expense of public health. While we would dispute nearly every detail and opinion in the letters, I will answer them generally.

They brush aside the medical evidence in such fashion that they discredit themselves. Even the authorities in this country accept the health risk: that is why they recently decided to reduce lead in petrol substantially. In other countries it is being phased out altogether, as much because of the health risk from lead as to protect catalytic converters introduced to control other emissions.

The Associated Octel defensive letter-writing campaign cannot obscure the central facts: that lead is a brain poison; it is emitted from car exhausts at the rate of 10,000 tonnes per year; it is absorbed into the body from the air; it can also be absorbed into the body via food; children are more susceptible to its ill effects than adults; lead levels in inner city areas are much greater than in rural areas because of the heavier traffic; and that there is a series of reports that link lead in petrol with reduced intelligence in children, hyperactivity, low concentration and behavioural problems.

It cannot be said often enough that the harm to children may never be proved conclusively; the issue at stake is whether the probability of risk has been established. In our view it has been. No one denies that lead can be eliminated from petrol and the only issue at stake is the cost. The importance of the recently-published poll by a reputable company is that it showed that nearly 8 out of 10 people were prepared to pay that price. The technical answers are there, and the public will is there, and the desire of one company to protect its profits cannot be allowed to stand in the way of change.

Des Wilson.
The Campaign for Lead-free Air,
2 Northdown Street, N1.

UK COMPANY NEWS

Grattan rises to £5.2m despite reduced sales

TOTAL NET sales of mail order business, Grattan fell from £199.53m to £177.1m for the year ended January 31 1982, but improved control of margins and costs resulted in pre-tax profits ahead from £3.11m to £5.22m. This was in line with the board's expectations.

For the first 28 weeks, profits before tax had improved from a restated £2.3m to £2.77m from net sales of £92.76m (£110.15m). Following this, sales for the autumn/winter catalogue started slowly improved during the Christmas period but fell away in January.

Continued improvements in credit control resulted in a reduction in the bad debt charge for the year from £6.3m to £4.2m. Increased profits were also attributable to improvements in buying techniques, reduced stock write downs and a substantial reduction in interest paid from £3.22m to £0.92m.

Modernisation programme costs, however, increased from £1.61m to £2.93m and consisted of redundancy costs of £2.47m and £0.46m relating to equipment written off as surplus to requirements. The figure was higher than expected because of the early implementation of voluntary redundancies in the agency offices.

Computerisation of the agency records has now been completed, but further redundancies will be necessary this year.

Despite the short term adverse effect on profitability, Grattan is stepping up the level of agent recruitment in the current year and is also developing its new direct mail business "Look Again."

The early weeks of trading in the new catalogue have been slow but the company is confident that with its improved operating base and recruitment programme, sales for the current full year will show an improvement on 1981-82.

After-tax profits for the year were up to £4.27m, compared with £2.42m which benefited from a £2.25m stock relief release. Earnings per 25p share rose from 5.5p to 9.68p, while the final dividend is maintained at 2.25p net for a same-again total of 4.115p.

In current cost terms, pre-tax profit was £2.5m (£0.64m loss).

See Lex

HIGHLIGHTS

Lex looks at the full year profits from Ladbroke which have been maintained at £32m even though the comparable period included some contribution from casino operations. Mail order house Grattan continues to slim down with sales falling 15 per cent in volume terms last year but margins have improved and the balance sheet is now in good shape. Pre-tax profits are up by two-thirds and the challenge now is to get volume moving the right way again. The column then moves on to look at the sale by brewer A. Guinness of its holiday division to English China Clays before reviewing the position of industrial profits where despite the upward trend there are still a large number of companies struggling.

LWT nears £4m mark at halfway

ALTHOUGH THE Exchequer Levy rose from £1.21m to £3.11m, pre-tax profits at LWT (Holdings), the independent television contractor, increased from £1.36m to £3.93m in the 26 weeks to January 24 1982.

Mr John Freeman, the chairman, says the main contributions to the improvement in profits came from London Weekend Television where advertising revenue has been buoyant and the rising cost of programme-making contained.

The extensive rationalisation at Hutchinson, the company's publishing subsidiary, combined with the re-organisation of the past two years, is now taking full effect and losses in the current year are very greatly reduced.

He says that in the prevailing economic climate, the overall results must be seen as good. But the on-cost of the television company's subscription to the Fourth Channel will inevitably have an unfavourable impact on profits in the second half of the current year and the first half of next year.

First-half turnover climbed from £43.98m to £51.89m. The interim dividend is raised from 4.0956p to 4.4942p and the directors say that in considering an appropriate level of dividend, they have been conscious of the need to strike a proper balance between past success and a less-pleasing prospect in the immediate future. Last year's total payment was 10.0691p from pre-tax profits of £4.26m (£3.06m).

There was a tax charge for the period of £2.04m (£709,000), leaving a net profit of £1.89m (£654,000). Minorities took £87,000 against £130,000.

● comment

The market had been expecting a major recovery from LWT's interim figures. The difficulty was in gauging how far it would go. Television advertising has been racing ahead in the period and it was clear that losses from Hutchinson, the book publishing arm, would be nowhere near as bad. LWT adds little colour to the picture but the levy charge gives clear evidence as to how fast television profits have been rising. But just as the recovery starts to flow LWT finds its p and l account under fresh attack. The company is now digging deep into its pockets to cover its share of fourth channel financing and the IBA rental charge is going to work out a lot more expensive. To offset that extra overhead LWT would have to see a 40 per cent increase in second half advertising revenue. It has taken an extra 1½ hours programme time on Friday but achieving that sort of growth is about as likely as the company enfranchising its non-voters this year. Hutchinson will be working closer to break even but TV contracting profits will fall in the second half and LWT could be hard pushed to produce much more than £6m pre-tax overall. At 159p a fully taxed multiple of 9½ and yield of around 9 per cent is not particularly exciting.

NatWest German team

National Westminster Bank is seeking to strengthen the senior executive team of its German subsidiary, Deutsche Westminster Bank, following the departure of Herr Georg Meidenbauer, the chairman of the bank's managing board.

Herr Meidenbauer was hired from Sal. Oppenheim Jr and Cie in October 1979 to run Global Bank following its purchase by National Westminster Bank. Earlier this year NatWest decided to merge Global Bank with the Frankfurt branch of International Westminster Bank and renamed it Deutsche Westminster Bank.

The merger is understood to have precipitated Herr Meidenbauer's departure was perfectly amicable. He would stay on to the end of June as a consultant. Deutsche Westminster's managing board has been reduced to two following Herr Meidenbauer's departure.

Second half improves at Thurgar

AFTER taxable profits £129,000 down at half-time, Thurgar Bardex, plastic products maker, managed to pull ahead in the second half when pre-tax profits rose from £35,000 to £151,000, to end the year at £255,000 compared with £268,000.

Turnover for the year to December 26, 1981 improved slightly from £7.39m to £7.57m. The final dividend is being held at 0.6p which repeats the total for the year at 0.9p. Earnings per share before tax are given as 1.93p (2.03p) and 1.55p (2.18p) after tax.

Interest charges were lower at £164,000, against £212,000. Tax took £51,000, compared with a previous credit of £20,000.

On a CCA basis pre-tax profits stood at £103,000 (£243,000).

Four newcomers fail to stir the market

The debut of four companies on the Stock Exchange yesterday generated sparse enthusiasm.

The largest newcomer, Standard Securities, opened at a 5p premium to its launch price of 136p, but eased to 139p at the close of trading. The fast-growing property company placed 2.2m ordinary shares.

Dealings in the AIM Group, a supplier of aircraft fittings, disappointed dealers as it had been widely expected to advance to a healthy premium in early trading. The turnover in AIM shares was smaller than expected, and the shares gained just 4p on the offer price to close at 146p.

Attwoods, the new incarnation of Attwoods Garages, opened and closed yesterday at 38p. Attwoods Garages was suspended last November at 95p.

The new entrant on the Unlisted Securities Market yesterday was Jebsens Drilling, a North Sea drilling group. In a limited market, the shares opened at 275p where they remained at the close of trading.

HARGREAVES GROUP

Through its subsidiary Hargreaves Quarries, Hargreaves Group has purchased the freehold land, quarrying and lime manufacturing plant and machinery located at Hartley Quarry, Kirkby Stephen, Cumbria from Sir Hedworth Williamsons' Limeworks.

Quarries has also bought the freehold of some adjacent stone-bearing land from another party. Total stone reserves acquired represent 40 years working at present levels of output.

Ladbroke little changed but dividend up by 10%

LITTLE CHANGED pre-tax profits of £32.5m are reported by Ladbroke Group for the year ended December 29 1981, against £32.6m previously. First-half results had slipped back from £14.07m to £13.7m, but the group said there was a 23 per cent rise on a comparable basis, using the same business groupings.

As forecast in August, at the time of the £25.5m rights issue, the final dividend is 3.537p net, which effectively raises the total payment by 10 per cent from an adjusted 6.75625p to 7.433p per 10p share.

On prospects, Mr Cyril Stein, the chairman and managing director, says that 1982 has begun well and there is certainly an improvement in trading conditions. With tight discipline on costs and the constant push for increased revenue, he is optimistic that good results will be achieved this year.

Turnover for 1981 improved 6 per cent from £665m to £702m, but net available profits were down by £6.5m to £28.1m. Tax took £4.2m (£4.5m), minorities £0.5m (£1m) and pre-acquisition profits £0.3m (same), while extraordinary gains were £7.5m lower at £0.3m. Stated earnings per share were 22p, compared with an adjusted 23p.

Mr Stein says that in a year when the economic recession was at its severest and when the weather in a key trading period was exceptionally bad, the group's divisions showed their resilience and in some cases moved ahead.

Profits from hotels, holidays, taverns and machine hire increased by £1.5m to £11.8m, while property, net of interest, contributed £6.1m (£4.5m). Retail hi-fi profits rose from £0.8m to £1.1m, but there was a reduction from £14.8m to £14.2m in betting and racecourse management and social clubs' results were £0.3m lower at £1.5m.

New capital expenditure totalling £63m has largely been invested as to £36.3m in hotels, holidays and machine hire and £14.3m in cash betting. The property division increased its investments by £4.6m and its stock of dealing properties by £17.6m.

Combined net interest costs, other than property interest, for the year were £3.6m (£2.2m). Income from discontinued operations were £1.7m (£2.6m).

In current cost terms, the year's pre-tax profits were £30m (same).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aesis Jewellery	1.5†§	—	—	—	3.5
Bridon	2.3	May 20	1.2	3.5	3.5
Burgess Products ...int.	0.5	—	0.5	—	—
Chepstow Racecourse	4	—	4	4	4
John Finlan	3.25	June 2	2.5	6.25	4
Grattan	2.25	July 8	2.25	4.12	4.12
Ladbroke Group	3.53†	—	3.48*	7.43	6.76*
LWT (Hldings) ...int.	4.49	Apr 20	4.09	—	10.07
Thurgar	0.6	May 6	0.6	0.9	0.9
Trust Securities	5‡	—	Nil	7.88	Nil

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Final of 2.2p forecast.

John Finlan raises dividend

AN INCREASE of £60,000 to £568,000 in pre-tax profits is reported by John Finlan, the Cheshire builder and land developer, for 1981. There was a slight downturn in the second half with profits coming out £24,000 lower at £281,000. Turnover for the year rose from £5.74m to £6.31m.

The total dividend is raised from 4p to 6.25p with a final up from 2.5p to 3.25p.

The pre-tax figure was after deducting building profit of £51,000 (nil) on properties under construction and held for investment. There was a tax credit of £46,000 against £21,000, leaving net profits of £614,000 (£529,000). Stated earnings per 10p share improved from 17.64p to 20.48p.

Although there has been a slow start to the current year, the directors say the momentum is expected to increase, and annual rental income is expected to rise to about £90,000 per annum.

The board explains that elimination of tax charges was principally due to tax allowances in respect of which no deferred tax provision is required.

On a CCA basis, pre-tax profits were £518,000 (£450,000).

Trust Secs: over £1.2m for year

HIGHER PRE-TAX profits of £1.22m are reported by property developer Trust Securities Holdings for the year to November 30, 1981 and the company is paying a final dividend of 5p which makes a total of 7.875p—no payment was made the previous year.

The profit figures compare with £683,000 for 1979-80 which were struck after deducting pre-acquisition profits of £163,000.

Turnover of the group—15 per cent of its 40p shares are traded in on the Unlisted Securities Market—moved ahead over the year from £5.24m to £11.07m.

Tax took £56,000 (nil) and goodwill written off amounted to £1m (nil).

Carpets Int. cuts losses by £4m

SHARPLY REDUCED losses are reported by Carpets International for the year to January 2, 1982 but despite the improving trend the directors say they cannot recommend payment of a dividend—the last payout was a final of 0.75p net for 1979.

Pre-tax losses for the 52 weeks were cut from £6.37m to £2.39m with an almost break-even situation in the second six months when the deficit emerged at £0.2m, compared with £2.24m last time.

At mid-year the directors anticipated continued progress but say now that it is too early *in the year to forecast how the* market will develop in 1982.

Falling mortgage and interest rates will help, they say, but add that "no one expects an instant and dramatic upturn in sales." These were hit at the beginning of the year by the appalling weather but the situation has since improved.

Full year turnover of the group, one of the largest producers of floor coverings in Europe, moved ahead from £114.55m to £117.02m and at the trading level the group returned a profit of £0.09m, against a loss of £2.46m.

The pre-tax figure was after charges slightly lower at £3.33m (£3.83m) but included a share of profits of associated companies this time of £0.85m, against a deficit previously of £0.08m.

Tax took £0.75m (£0.34m) with minorities the same at £0.29m. Extraordinary debits declined from £1.86m to £0.88m.

Loss per 50p share is given as 14.5p (29.6p) pre-extraordinary items.

A provision of £1m was made in respect of extraordinary expenses which are being incurred in 1982. However, it is pointed out that what is being undertaken will substantially improve efficiency. New divisions, which are replacing the previous autonomous subsidiaries, "offer much *greater cost-effectiveness.*"

Current reorganisation, which is moving towards completion with three specialised marketing divisions supported by one coordinated manufacturing division, should not mask the substantial progress made by company in 1981, the directors say.

They add that the most important strategic move involved closure of the northern distribution facility at Northallerton and concentration of warehousing in Halifax. The sale of the Northallerton site for £2.5m realised a profit of £1.14m.

During the year outstanding performances were achieved in the overseas companies, notably Pacific Carpets International in Australia and Interface Flooring Systems in the U.S. In the UK the group's spinning and carpet title operations contributed to profitability. Conventional carpet companies suffered most from the severe market recession.

A geographical breakdown of the pre-tax figure for 1981 shows: Europe £5.5m loss (£7.13m): U.S. £1.78m profit (£0.50m); Asia £0.04m loss (£0.09m): and Australia £1.37m profit (£0.35m).

On a CCA basis the taxable loss emerges at £6.72m (£10.84m).

● comment

Pre-tax losses 62 per cent lower at £2.4m, and the attainment of £90,000 trading profit after 1980's trading loss of almost £2¼m, indicates that Carpets International has pulled back from the precipice. But there are still major problems to solve in Europe and the UK, where losses pre-tax amounted to £5¼m. As a result of work carried out by a firm of management consultants CI is reorganising its UK operations into one company with three marketing divisions. The reconstruction and the closures involved have been disruptive, but the benefits should come through in the second half of this year, and CI believes that the bottom line savings could be around £3¼m a year. While U.S. imports are now down to a trickle, the gauntlet has been taken up by Belgium, whose share of the UK market is still rising, aided by February's 8.5 per cent devaluation. Gearing is fractionally up at 69 per cent but the financing of an upturn in demand is hardly a current problem. At 22p, gaining 3p from the 1982 low of 19p, CI is capitalised at just over £5m as against an asset value of 121p per share. Hong Kong Carpet Manufacturers holds 29.98 per cent of the equity.

Berkeley Exploration loss expands to £1.22m

PRE-TAX losses of unquoted Berkeley Exploration and Production expanded to £1.22m for the year to December 31, 1981 compared with £150,000 for the period September 12, 1979 to end-December 1980. Turnover of this oil exploration company is given as £81,000.

At the operating level there was a deficit of £520,000 (£277,000) which was arrived at after all operating expenses, including interest payable. It did not, however, include an unrealised exchange gain of some £200,000 resulting from the group's investment in its subsidiary, Berkeley Exploration and Production Inc.

The pre-tax loss was after taking account of a write-down of properties totalling £337,000 and the cost of dry wells amounting to £400,000. It included interest receivable of £41,000 (£127,000).

There was a tax credit of £7,000 (£41,000) and after minorities of £19,000 there was an attributable loss of £1.2m (£191,000).

Stated loss per £1 share emerged at 27.85p (8.93p).

Mr Colin Orr-Ewing, the chair*man, says that in the North Sea* 16/26-3 proved successful and independent valuations show the company's interest in this block has a very significant value well in excess of its book value—during 1982 the company expects to participate in two further wells in the North Sea.

Following the completion of the BP operated seismic survey in China, Berkeley has been invited by Chinese authorities to join the first round of bidding in the Southern Yellow Sea.

Gas production is now established in Pennsylvania and Texas, where the group's gas has recently been reclassified which will result in a substantially increased price.

Henlys alert to new opportunities

AT THE annual meeting of Henlys the chairman, Mr G. R. Chandler, said that overall the group remained soundly based financially, and alert to new opportunities particularly in the motor business.

New car sales and deliveries had begun to recover from the substantial reduction shown in January and February because of the adverse weather. But the recovery had not been sufficient to offset the losses of the previous months. The easing of interest rates, if sustained, would have a material and beneficial effect.

Mr Chandler said that recovery prospects were more likely to materialise in 1982-83 rather than in the current year.

It is intended to appoint a new chief executive and the appointment of an additional non-executive director is under consideration.

£200,000 fall at Olympic Holidays

Despite an 18 per cent increase in passenger traffic, pre-tax profits of Olympic Holidays fell from £734,651 to £543,242 in the year to October 31 1981. Turnover of this company, which is a subsidiary of Olympic Holdings, a privately-owned British group *of companies specialising in* travel and leisure, increased by 13 per cent from £13.06m to £16.04m.

During the year, the company paid particular attention to successfully completing phase two of its development programme, and this included a move to new headquarters in London.

While maintaining a steady growth pattern, the directors say the company has now created an infra-structure designed to take full advantage of the opportunities of the next decade. This is already paying dividends in 1982, they say.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Suter Electrical, W. A. Tyzack, Ulster Television, Wankie Colliery.

Finals—Breedon and Cloud Hill Lime Works, Early's of Witney, Gibbs and Dandy, Ibstock Johnsen, Insurance Corporation of Ireland, KCA International, Keep Investment Trust, Lyle Shipping, Stanley Miller, North British Canadian Investment, Sharna Ware, Tharsis, E. Upton.

FUTURE DATES

Interim:—

Scottish Cities Investment ... Apr 7

Finals:—

Albany Investment Trust ...... Apr 22
Armitage Brothers .... Apr 8
Baird (William) .... Apr 6
Dewhirst (I. J.) .... Apr 14
Empire Stores .... Apr 21
Expanded Metal .... Apr 7
Gordon (Luis) .... Apr 5
Hoskins and Horton .... Apr 28
Huntley and Palmer .... Apr 5
Lilleshall .... Apr 28

Bridon profits at £10m after second half boost

AN IMPROVEMENT in the second half at Bridon, wire rope manufacturer, came mainly from the Americas and associate wire interests in the UK, according to the directors. Second-half pre-tax profits moved sharply ahead by £6.3m to end 1981 at £10.1m, compared with £5.8m previously.

Some improvement came from management measures in the UK against a depressed economic background, say the directors. The two major UK subsidiaries most adversely affecting performance were Bridon Fibres and Plasthtics, and Bridon Wire, both in difficult market circumstances.

The overseas performance, allowing for some difficult economic conditions, continued at a good level, they say. However, they add that the present world economic climate affecting some of the group's overseas and UK operations is unsettled and it is difficult to see the overall outcome of 1982 with any degree of certainty.

Taking into account the benefits yet to be realised of rationalisation in the UK and the wide spread of overseas interests, the directors say prospects for the group remain generally good, although profits for 1982 may be temporarily restrained.

They point out that the group balance sheet remains strong and gearing satisfactory.

A final dividend of 2.3p holds the net total for the year at 3.5p Earnings per 25p share are stated at 8.33p, against 8.52p, and on a nil basis at 9.87p (10.02p), pre-extraordinary debit.

Turnover for the company and its subsidiaries held steady at £154.8m (£158.9m) and for associated companies at £107.1m (£114.3m). Trading profits improved from £16m to £18.4m.

An analysis of trading profits by division shows: UK—steel £5m (£2m); fibres and plastics loss £0.8m (—); engineering loss £1m (£0.2m). Overseas — Americas £12m (£7m); Africa £0.1m (£4.1m); SE Asia, *Australia and New Zealand £1.5m* (£1.1m); Europe £1.6m (£2m).

Pre-tax profits were struck after *lower interest charges of* £3.6m (£6.3m) and included lower *associate profits of* £4.8m *(£5.7m)*.

Taxation rose from £1.1m to £4.8m. Minorities took £0.7m *(£0.1m). There was an extra*ordinary debit of £4m (£3m) being rationalisation costs and *£1.8m in discharging obligations* at Ashlow Steel.

On a current cost basis pre-tax *profits emerged at £3.3m, against* previous losses of £1.3m.

● comment

Bridon's pre-tax profits of £10.1m were a good bit better than expected, and the shares moved ahead 8p to 82p where they yield 6.4 per cent. Some improvement in UK wire and rope subsidiaries was expected to come through from cost shedding; the surprising element at home was a higher contribution from the TWIL *associate. There was also a* pleasant surprise from Bridon's subsidiary in the U.S. It will be *more difficult to make progress* in the UK in 1982 unless there is some volume for the steel operations to bite on; changes in the fibre and plastic twine business should at any rate reverse the past year's dip into the red. Quite a lot of the 1981 improvement was generated by the Mexican associate, Camesa, of whose profit Bridon's share amounted to around £6m. The collapse of the peso has already taken £4.5m out of Bridon's reserves upon translation of Camesa's balance sheet. It is hard enough at present to gauge 1982's peso profits; but it is clear that they will have to jump ahead. If sterling profits are merely to remain static. Bridon's 3.5p total dividend is covered more than twice by stated historic earnings, but when allowance is made for the non-remitted associate component in these earnings (and £0.9m of irrecoverable ACT) that cover looks rather tightly stretched.

Macpherson more hopeful

PAINT MAKER Donald Macpherson expects to be trading profitably at the half year, and its results for the full period should not be 'unsatisfactory having regard to the awful start and to the current economic conditions. This was stated by the chairman, Mr Rex Chester, at the annual meeting.

He said December and January were badly affected by the weather and by extended holiday closures in much of British industry. Order levels in February showed a marked improvement and these had continued into March. But it was *too early to say whether that* represented some catching up on December and January or whether it reflected a level of demand that could be sustained through the spring and beyond.

In the DIY consumer market the pre-season sell-in went well and *he was confident that as far* as Cover Plus was concerned, stock levels in Woolworth *stores were well balanced to* meet the spring demand.

On the industrial side, the prospects of a modest upturn later in the year seemed a little more hopeful than this time last year.

Overseas companies generally *were* making reasonable progress.

Acsis down at £0.2m

TWO FACTORS—the impact of the recession on the jewellery trade and the exceptional weather conditions—meant trading at Acsis Jewellery in December and *January* was very disappointing and well below budget, say the directors.

Pre-tax profits of this USM stock for the half-year to January 31 1982 were more than halved to £202,000, against a previous £478,000. The directors state that prospects for the remainder of the year are uncertain. They continue to be confident of the group's prospects in the medium to long-term, but say the results of the first six months are extremely disappointing.

In view of the adverse trading conditions in the key months of December-January and in the absence, at present, of evidence of a significant improvement in the level of consumer spending before the group's next key trading month, July, the directors do not feel they should make any statement about the outcome for the year.

The interim dividend has been declared, as forecast, at 1.5p. The directors intend to make a final payment of 2.2p. Earnings per share were stated as moving down from 9.28p to 3.3p.

Since the group is unlikely in the current year to achieve the level of retained earnings envisaged, but not forecast, at the time of the company's flotation, the directors and Charterhouse Development have waived interim and final dividends amounting to £116,833.

Despite the disappointing results the group's financial position remains strong with net tangible assets (based on management accounts) at January 31 1982 of £1.78m. The level of borrowings remains modest.

Turnover for the period moved ahead from £2.61m to £2.88m. The tax charge was higher at £28,000 (£10,000).

T. G. THRELFALL

Mr Philip Ramsbottom, of Peat, Marwick, Mitchell, Manchester, has been appointed receiver and manager of T. G. Threlfall.

The company carries on business as poultry merchants in Lancashire and employs 75 people.

Newbold and Burton first half warning

Mr V. F. Burton, the chairman of Newbold and Burton Holdings, told the annual meeting that the decline of sales in footwear retailing from the end of October to date has caused a reduction in orders, which in turn has led to some short time working at all plants.

He warned that although the situation was slowly improving the consequences were that the first six months trading results would be disappointing. However, in accordance with the group's pattern of trading over recent years he added that he expected an improved second half.

His reasons for this were that he expected a better boot season than in the previous year and also that the UK footwear industry was less vulnerable to imports during the autumn and winter retailing period.

The chairman pointed out that the group's current financial position was very similar to that of a year ago with £1.2m in short-term investments and on deposit, equivalent to 28½p per share. The liquidity and reserves would permit the maintenance of the interim dividend (1.4p). he added.

Jamesons rises and pays more

Pre-tax profits at Jamesons Chocolates improved from £322,754 to £618,352 in 1981 after advancing by £40,866 to £111,049 at the midway stage. Full-year turnover rose from £6.31m to £6.56m.

After a tax charge this time of £288,415, against a credit of £57,935, profits emerged lower at £329,937, compared with £380,689.

The final dividend is being raised from 3p to 3.6p per 10p share, which lifts the net total by 0.5p to 4.6p. Earnings per share are given as 12.7p (8.4p ignoring a deferred tax credit of £209,000).

CCA pre-tax profits were £321,337 (£6,264 loss).

SPAIN

April 1	Price %	+ or -
Banco Bilbao	342	
Banco Central	339	
Banco Exterior	302	
Banco Hispano	314	
Banco Ind. Cat.	110	
Banco Santander	341	
Banco Urquijo	202	−2
Banco Vizcaya	381	
Banco Zaragoza	242	
Dragados	155	−2
Espanola Zinc	61	
Fecsa	61.2	
Gal. Preciados	38	+0.5
Hidrola	62.5	
Iberduero	55.5	+2.5
Petroleos	92.0	+0.3
Petroliber	89	
Sogefisa	90	
Telefonica	71.0	−0.5
Union Elect.	63.7	+0.5

APPOINTMENTS

Chairman of Finance Houses Association

Mr Stuart G. Errington, managing director of Mercantile Credit Company and chairman of Barclays Mercantile Industrial Finance has been appointed chairman of the FINANCE HOUSES ASSOCIATION. He succeeds Mr John Little, managing director of Lloyds and Scottish Finance *who has completed his two-year* term of office. Mr Ian Miller, a general manager of United Dominions Trust, has become vice-chairman of the association.

★

Mr Peter Windows has been appointed company secretary of CENTURY OILS GROUP. He takes over from Mr Reg Sillitoe.

★

Mr H. Kershaw, district manager, Eccles, has been co-opted to the committee *of management of the LIVER*POOL VICTORIA FRIENDLY SOCIETY.

★

Mr E. J. Stephens (formerly general manager of the LAPORTE minerals business group to the new post of general manager, international trading operations.

★

Mr Peter Alker, general manager, Crediton, and Mr Barry Wood, general manager, Radstock, have been appointed to the board of PAULS AGRICULTURE.

★

PEAT, MARWICK, MITCHELL AND CO. has admitted the following as partners: Mr A. D. Barron, Mr R. J. Mackie and Mr D. M. C. E. Steen in London; Mr J. Fielden in the management consultancy firm in London; Mr A. S. Gray in Glasgow; Mr C. I. McBride in Leeds; and Mr A. N. Herald in Reading.

★

Mr James Stokes has been appointed vice-chairman of the AQUASCUTUM GROUP.

★

Mrs Eva Thiel has been appointed by COMMERCIAL CREDIT INTERNATIONAL BANKING CORPORATION as representative for Western Europe. Mrs Thiel will be based in London.

★

Three directors have been appointed to the board of JOHN WOOD GROUP oilfield logistics and supplies division—Mr David Lefevre as logistics director, Mr Gerald Hocking as supplies director and Mr James Burnett as accounts director.

★

Mr Brian Robinson has been appointed managing director of *STOTT AND SMITH GROUP.* He has been replaced as managing director of Wardle Fabrics by *Mr Eric Watson. Both are* Vantona Group companies.

★

UNIAO DE BANCOS BRASILEIROS has appointed Mr Neri R. Infante to be representative and general manager in the UK. He was previously deputy manager of Banca Nazionale del Lavoro, London branch.

★

MORGAN GRENFELL AND COMPANY has appointed Mr Keith R. Harris as a senior assistant director.

★

Following the retirement of Mr B. A. Bateson, C. E. HEATH has appointed Mr R. M. Harrison as a director of C. E. Heath and Company (Insurance Broking). He will also succeed Mr Bateson *as managing director C. E. Heath* and Company (London), which company will also assume *responsibility for the clientele* previously handled by C. E. Heath and Company (Southern). Mr B. M. Routledge becomes deputy managing director of C. E. Heath and Company (London).

★

COMMARCO, commodity brokers, has appointed Mr Jeremy Ford, formerly of *Charles Fulton, as director of* financial futures.

★

Mr Philip G. Walker, executive chairman of SUN LIFE ASSURANCE SOCIETY will be relinquishing his executive responsibilities from June 9 *when he becomes 70.* He will continue to serve on the board as non-executive chairman. The *Society's managing director, Mr* R. F. C. Zamboni will assume full chief executive responsi*bilities. Mr Michael Turner,* pensions actuary, has been appointed deputy general manager (pensions).

★

Mr Brian Malcolm has been appointed to the board of HILL SAMUEL PENSIONS INVESTMENT MANAGEMENT.

★

ROBERTS, ADLARD has appointed Sir Edward Singleton as a non-executive director and chairman.

★

Mr A. J. S. (Tony) Garner has joined the board of HENRY SYKES as group chief executive. He comes from LaBour Pump Company where he has been group managing director for the past six years.

★

Mr Geoffrey Yates, managing director of TWYFORDS, Stoke-on-Trent, part of Reed Building Products, a division of Reed International, also becomes chief executive. Mr Harry Barclay, who has been chairman and chief executive, will continue as chairman until the end of 1982, after which he will maintain his involvement in the industry as a director of Reed Building Products. Mr Les Tench has been appointed to the new post of deputy managing director of Twyfords. He was marketing director.

★

Mr Roger Gorvin transfers from joint general manager (personnel services) to become *joint general manager in charge* of domestic banking and takes the seat on the bank board formerly held by Mr Bassford. The joint general manager (city and international) Mr David Maxey has been nominated as the senior of the joint general managers.

★

Mr Dennis F. Cook, at present financial director, has been appointed joint managing director of THE PHOENIX TIMBER GROUP. Mr Bryan A. A. Ledger, executive chairman of Phoenix Softwoods, has *been appointed a director of The* Phoenix Timber Group.

★

Mr Michael Greenhalgh becomes financial director of YORKSHIRE CHEMICALS on April 26.

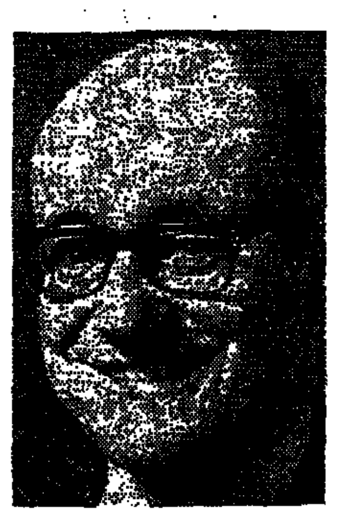
★

Mr Bill McNaught has been appointed managing director of N. S. MACFARLANE AND COMPANY, Glasgow, the self-adhesive tapes and labels division of the Macfarlane Group (Clansman). He was sales director.

★

Mr Hugh Lavington, chief executive, Purnell and Sons Gravure Printers, and on the main board of BPCC, has been appointed chief executive, Sun Printers, Watford.

Mr Stewart Fraser, at present *chief executive of Sun, takes the* new post of BPCC group commercial director where he will be responsible, with the appropriate chief executives of BPCC operating divisions, for all new and existing commercial contracts which exceed £1m. He will be joining the main board of BPCC reporting directly to the chief executive of BPCC.



Mr Stuart Errington

Mr Keith Morris, at present operations director of Purnell and Sons, is appointed managing director of that company.

★

Sir Robert Erskine-Hill has resigned as a director of ABERDEEN TRUST. Mr Ewan Brown, a Noble Grossart director, has joined the board.

★

Mr Alan Tidy, currently general manager, has been appointed chief executive officer and general manager of ECONOMIC INSURANCE COMPANY.

★

Mr Paul Lockyear has been appointed managing director and chief executive of CANADA PERMANENT TRUST COMPANY (UK). He was deputy managing director of the company, UK subsidiary of Canada Permanent Mortgage Corp., Toronto.

Touche Remnant forms three advisory boards

TOUCHE REMNANT is forming three advisory boards covering North America, the Pacific Basin and Europe. The following have agreed to join these advisory boards: Dr Eljmert K. Den Bakker (chair*man of the executive board of* the Nationale Nederlanden); Mr Nigel Broackes (chairman of Trafalgar House and also of the London Dockland Development Crpn); Mr Silas S. Cathcart (chairman of Illinois Tool Works Inc); Mr Colin J. Harper (director of Australia and New Zealand Banking Group, chairman of Vickers Australia and chairman elect of Humes, Australia); Mr Martin W. Jacomb (vice-chairman, Kleinwort Benson); Mr Yoh Kurosawa (managing director of the Industrial Bank of Japan); Mr Robert P. McNeill (a senior partner of Stein Roe and Farnham, Chicago); Mr J. H. Moore (director of Canadian Pacific and of Hudson Bay Company); Mr J. W. Rouse (chairman of the Rouse Company, Maryland, US); Mr Frank Yung (director of Inchcape Berhard and chairman, Telecommunications Authority of Singapore). Further appointments are to be made.

★

Mr C. H. Stapleton has been appointed a director of *GILL AND DUFFUS GROUP.* He is joint managing director of Pacol, one of the company's principal subsidiaries. Mr R. G. McFall and Mr R. J. Thorne have retired from the board. Mr N. J. Cosh will be joining the board on May 1 as group finance director.

★

Mr David A. Thornham, at present an assistant general manager in MIDLAND BANK'S corporate finance division, has been seconded to Forward Trust Group from April 1 and has been appointed a managing director. He is succeeded as an assistant general manager, corporate finance division, by Mr Neil G. Blair, at present a *divisional advances controller.*

★

Mr John Hatch has joined the investment management staff of the NATIONAL WATER COUNCIL superannuation fund as assistant director responsible for the venture capital portfolio of the fund. Mr Hatch was director of value-for-money audit with Deloitte Haskins and Sells.

★

HONEYWELL INFORMATION SYSTEMS has appointed Mr Pat Kielty as director, office automation within the data processing division. Mr Kielty was marketing director of Incoterm which recently became integrated within the data processing division of Honeywell UK.

★

Mr C. T. West has been appointed a director of FRENCH KIER PROPERTY INVESTMENTS.

★

Mr Bob Morton has been appointed as financial controller for the NORTH EASTERN CO-OPERATIVE SOCIETY.

★

URM (UNITED KINGDOM) has appointed Mr Chris Searle as marketing director. He was a director of Gilbeys Vintners (England and Wales).

★

Mr Richard Davey, Mr Miles Emley, Mr James Heyworth-Dunne and Mr David Sullivan have been appointed to the board of N. M. ROTHSCHILD AND SONS.

International Thomson Organisation changes

INTERNATIONAL THOMSON ORGANISATION LTD has made the following appointments from April 5: Mr W. M. Brown is appointed executive vice-president and chief operating officer of International Thomson Holdings Inc (ITHI). Mr Brown is also appointed president and chief executive officer of International Thomson Organisation Inc (ITOI), the subsidiary of ITHI which comprises its U.S. publishing interests. Mr G. Brunton remains chairman of ITOI. Mr Brown has also joined the boards of the U.S. travel companies. He retains his overall responsibility for International Thomson's interests in natural resources worldwide and remains executive vice-president of *International Thomson* Organisation Ltd. Mr Brown will be moving to New York later in the year.

Mr C. N. D. Cole is appointed chairman and chief executive of *Thomson Information Services,* comprising Thomson Magazines, Thomson Data, Derwent Publications and Thomson Directories. He remains chairman of Thomson Books and responsible for co-ordinating group policy on information technology. In addition, he assumes group responsibility for external and internal communications.

Mr James Evans is appointed chairman and chief executive of Thomson Regional Newspapers. He retains his existing responsibilities as chairman of Thomson Withy Grove and for group personnel and management development policies.

Mr I. M. Clubb is appointed to the board of International Thomson Organisation PLC as financial director. Mr Brown, Mr Cole and Mr Evans remain as joint deputy managing directors of International Thomson Organisation PLC.

Companies and Markets

MINING NEWS

New gold in California for old Homestake

BY KENNETH MARSTON, MINING EDITOR

WHILE the price of gold languishes, the world mining industry which is used to the cyclical nature of all metal markets retains its confidence in the long term future of bullion. *Exploration continues apace* in South Africa, while in the U.S. Homestake Mining, which started up in 1877, is pressing on with the development of its new *McLaughlin gold mine* in a remote area of Napa County, California.

In the annual report of Homestake, the largest gold producer in the U.S., the chairman, Mr Harry M. Conger, says that capital spending this year will be maintained at about $59m (£33m), of which $21m will represent preliminary development costs for McLaughlin.

Because of the depressed *metal prices*—Homestake also produces silver, uranium, lead and zinc—the company's profits this year will only partially cover the capital expenditure envisaged. Some external financing will be required for construction of McLaughlin.

Having no significant long-term debt, the company feels it is *well placed to borrow from banks* or other financial institutions. So far $23m has been spent on the new project and the major capital commitments will be required as from 1983.

Originally, the McLaughlin deposit was reckoned to contain about 1m oz of gold. It is now estimated to hold 3.2m oz with open-pit ore reserves put at a minimum of 20m tons grading 0.16 oz, or about 5 grammes, gold per ton. This raises Homestake's total reserves to 7.9m oz gold.

Investigations are continuing of higher grade mineralisation at depth which would call for underground mining, but in the meantime it is expected to bring the open-pit mine on stream in 1985.

Homestake's existing gold mine, near Bobtail Gulch in the Black Hills of South Dakota, ranks as one of the world's greatest mines. Its discovery was heralded back in 1874 when a detachment of General Custer's men on an army expedition panned placer gold in the nearby streams.

First mining of the deposit began in 1876 and the old mine is still going strong. Last year it produced 277,962 oz gold at an average cost of $342 compared with $305 in 1980, the increase in costs reflecting higher wages and the South Dakota severance tax which was based on gross revenues as opposed to net earnings previously.

The combination of lower gold prices and increased costs resulted in Homestake's 1981 earnings falling by 72 per cent to $28.8m, equal to $1.69 per share, from $101.8m in 1980. Dividends for 1981 amounted to $1.30 compared with $1.42 in 1980. In September last year the quarterly dividend rate was reduced to 10 cents from 40 cents.

Hudbay tightens its belt

A DIFFICULT year faces the **Anglo American Corporation** group's Canadian offshoot, **Hudson Bay Mining and Smelting.** Against the background of recession in markets for base metals most of the underground drilling at the new Tom Valley lead-zinc project in the Yukon is to be deferred until the economic climate improves.

Other cost-saving measures include the putting back for at least a year all possible capital expenditure, major repairs and mine development.

Meanwhile, a temporary shut-down has been announced at the company's major mining and smelting operations in Manitoba at Flin Flon and Snow Lake because of the low metal prices. This "vacation shutdown" is to last from late-June to early-August and will affect 2,700 employees.

On the brighter side, Hudbay's *annual report* expects an improvement in 1982 results of **Inspiration Coal.** It is also disclosed that immediately after the imposition of martial law in Poland the company sold about half its expected 1982 domestic output of gold and silver at favourable prices in the anticipation that they would later weaken.

Near 70% profit rise for Simmer and Jack

INCREASES IN the amount and grade of material treated helped the **Anglo American Corporation** group's **Simmer and Jack** gold mine to lift profits sharply last year, in spite of the lower average gold price received.

Profits before extraordinary items rose to R804,000 (£431,000), almost 70 per cent above 1980's R477,000. No dividend is to be paid, as Simmer still has a lot of expensive development work ahead of it.

The mine originally operated between 1888 and 1964, when it became uneconomic and was forced to close. Anglo reopened the property, at Germiston on the outskirts of Johannesburg, last year, initially as a waste dump retreatment operation but with a view to restarting underground mining if this proved economic.

Last year's gold production came exclusively from waste material, which was processed by **East Rand Gold and Uranium (Ergo)**, through which the Anglo group controls Simmer. The processing arrangements will continue until Simmer's own 150,000 tonne per month plant is complete, probably by about the middle of next year.

The material treated last year averaged 1.33 grams of gold per tonne, somewhat ahead of 1980's 1.18 grams and comfortably in excess of the expected average of 0.68 grams estimated for the whole 23m tonnes of waste on Simmer's ground.

The mine's location in a heavily built up area, which effectively precludes the possibility of any surface drilling to delineate reserves, has proved to be an advantage. All *development work* has to be done underground from the old mine workings, which means that quantities of ore are already being produced simply as a consequence of the development activities.

Southwest Cons hits bulk ore in Cornwall

ENCOURAGING DRILL results are announced by **Southwest Consolidated Resources** from its Cornish tin prospect. Exploration at the old Redmoor mine has identified a wide sheeted vein structure some 80 metres wide and open to the west and down dip.

Indicated ore reserves to date are put at approximately 44m tonnes grading an average 0.25 per cent copper, 0.1 per cent zinc, 3 grammes silver, 0.1 per cent tin and 0.1 per cent tungsten trioxide. Within the structure there are higher grade zones up to 19 metres wide and richer material in several narrow lodes.

Further drilling is to be carried out in order to increase known reserves prior to taking a decision on shaft-sinking and underground development later in the year. It is thought that the mineralisation may lend itself to lower cost bulk mining underground.

Southwest Consolidated adds *that with the indication that* Redmoor may become a major mining venture consideration is being given to the introduction of a joint venture partner to assist with future development and finance. A further announcement is to be made in due course.

Lower earnings at Dome Mines

CANADA'S leading gold group, **Dome Mines**, reports a *fall* in 1981 earnings to C$91.3m (£47.1m) or C$1.31 per share, from the previous year's record of C$126.5m, **reports John Soganich from Toronto.**

The company's share of earnings in the 27 per cent-owned **Dome Petroleum** accounted for *C$48.4m, indicating that Dome* Mines' net profits from its own operations declined by 33 per cent to C$42.9m.

The average gold prices received by the group's three mines last year eased to C$547 from C$722 per oz, reducing the consolidated bullion revenue by *24 per cent to C$180.5m* on an output of 329,772 oz.

Net profits at the 57 per cent-owned **Campbell Red Lake Mines** came back to C$46m, or 96 cents per share, from C$57.5m. The 63 per cent-owned **Sigma Mines** saw profits decline to C$9.2m, or C$1.15 per share, from C$14.2m.

Among other Canadian gold mines now feeling the pinch, **Noranda's Pamour Porcupine Mines** has announced further *lay-offs at its operations in the* Timmins district of north-east Ontario. It plans to suspend operations at the Aunor mine and to halt development of the former Hollinger property.

Meanwhile, it is reported that wage contract renewal talks between the United Steelworkers *of America Union and Noranda's* Canadian copper refining division and Noranda Metal Industries are progressing normally.

Nickel grade at Agnew improving

THE VIABILITY of the troubled Agnew nickel mine in Western Australia has been improved by a recent increase in concentrate grades, according to Mr Bruce Watson, chairman of **MIM Holdings.**

MIM has a 40 per cent stake in Agnew, with the remaining 60 per cent held by Seltrust Holdings.

Mr Watson discounted recent gloomy reports about the mine, and promised that production will continue and the operation will eventually become a viable source of nickel.

The latest grades of concentrate from Agnew, which contains an estimated 35m tonnes of sulphide ore grading 1.9 per cent nickel, have increased to 14 per cent from 8.5 per cent.

ROUND-UP

The **Rio Tinto-Zinc** group's South African copper producer, **Palabora**, managed to hold operating costs last year to R1,374 (£734) per tonne. The company has been able to secure another contract for a "substantial" quantity of its by-product uranium to be delivered in the first quarter of this year.

* * *

South Africa's gold production is expected to rise by between 3 tonnes and 8 tonnes this year from the 657 tonnes produced in 1981, according to the Chamber of Mines. The expected rise could reflect a return to mining the higher grade ores in order to compensate for the lower gold price; such a move would take the industry as a whole about three months to achieve.

BANK RETURN

	Wednesday March 31 1982	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	54,004,788	+ 15,523,381
Bankers Deposits	577,325,341	− 36,589,634
Reserve and other Accounts	1,717,998,751	+ 120,503,128
	2,363,881,880	+ 99,436,875
Assets		
Government Securities	661,866,900	+ 37,741,004
Advances & other Accounts	1,160,136,204	+ 51,396,941
Premises Equipment & other Secs.	523,587,159	+ 7,818,002
Notes	18,056,900	+ 2,478,666
Coin	234,717	+ 2,262
	2,363,881,880	+ 99,436,875
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	10,625,000,000	+ 100,000,000
In Circulation	10,606,943,100	+ 97,521,334
In Banking Department	18,056,900	+ 2,478,666
Assets		
Government Debt	11,015,100	—
Other Government Securities	2,640,780,968	+ 475,053,361
Other Securities	7,973,203,932	− 575,053,361
	10,625,000,000	+ 100,000,000

LONDON TRADED OPTIONS

April 1, Total Contracts 2,083 Calls 1,489 Puts 594

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	260	34	..	44	5	50	..	290p
BP (c)	280	16	7	30	3	36	-	"
BP (c)	300	6	4	16	--	22	—	"
BP (c)	330	2	33	7	..	12	—	"
BP (p)	280	6	9	11	35	17	-	"
BP (p)	300	14	6	20		26	2	"
BP (p)	330	42	65	42	—	48	75	"
CU (c)	140	4	..	11	15	17	4	137p
Cons. Gld (c)	390	16	3	30	6	47	..	399p
Cons. Gld (c)	420	6	5	17	-	25		"
Cons. Gld (c)	460	2	25	8	—	12	..	"
Cons. Gld (p)	390	15	1	25	..	30	..	"
Ctlds. (c)	80	10	63	15	9	18½	1	89p
Ctlds. (c)	90	3	5	7½	259	12	39	"
GEC (c)	700	135	6	152	--	--		827p
GEC (c)	750	85	-	110	6		—	"
GEC (c)	800	37	30	67		92	—	"
GEC (c)	850	6	--	38	-	57	1	"
GEC (p)	800	10	3	25	2	30	—	"
GEC (p)	850	30	14	45	10	54	—	"
Gr'd Met. (c)	180	39	20	45	—	49	-	218p
Gr'd Met. (c)	200	19	15	28	3	32	5	"
Gr'd Met. (c)	220	5	2	14	10	18		"
Gr'd Met. (p)	180	½	1	4	—	5	—	"
Gr'd Met. (p)	200	1½	8	6	--	12	8	"
Gr'd Met. (p)	220	8	15	12	—	17	--	"
ICI (c)	280	48	—	56	10			332p
ICI (c)	300	28	23	42	65	50	—	"
ICI (c)	330	7	2	22	9	34	—	"
ICI (p)	280	1	--	4	10	—	--	"
ICI (p)	300	2	6	9	—	12	--	"
ICI (p)	330	12	1	18	--	20	—	"
Land Sec. (c)	260	42	2	-	...		-	297p
Land Sec. (c)	300	10	--	20	2	31	-	"
Land Sec. (c)	330	5	—	8	5	17	...	"
Mks & Sp. (c)	100	57	—	61	5	-	—	155p
Mks & Sp. (c)	120	37	--	41	40	--	-	"
Mks & Sp. (c)	130	27	4	31		35	2	"
Mks & Sp. (c)	140	17	--	22	3	26	-	"
Mks. & Sp. (c)	160	4	—	9	34	12		"
Shell (c)	330	54	--	64	1	72		380p
Shell (c)	360	26	13	38	—	48	—	"
Shell (c)	390	9	1	20	6	28		"
Shell (c)	420	2½	10	11	—			"
Shell (p)	360	4	190	14	—	20		"
Shell (p)	390	14	—	24	5	30		"
		May		August		November		
Barclays (c)	460	10	7	17	--	32	-	445p
Imperial (c)	70	25	30	28	3	...	-	95p
Imperial (c)	80	15	94	18½	10	21	3	"
Imperial (c)	90	7	147	11½	52	13½	3	"
Imperial (c)	100	1½	6	5½	112	7½	20	"
Imperial (p)	90	2½	5	4	...	5½		"
Imperial (p)	100	7	—	8	--	10½	1	"
Lasmo (c)	280	47	1	57	—	67		319p
Lasmo (c)	300	28	17	40	--	50	—	"
Lasmo (c)	330	13	14	27	—	-	--	"
Lasmo (c)	360	6	4	16	3	—	—	"
Lasmo (c)	390	1½	—	8	4		—	"
Lonrho (c)	70	7	7	10		12	..	74p
Lonrho (c)	80	2	30	5	10	6	3	"
Lonrho (p)	70	2½	--	4	6	5		"
Lonrho (p)	80	8	70	9	—	11		"
P & O (c)	100	41	1	—	--	--		138p
P & O (c)	130	15	1	17	—	22	1	"
P & O (c)	140	8	6	13		16	3	"
Racal (c)	330	53	--	65	2	73	--	378p
Racal (c)	390	11	10	22	1	30	—	"
Racal (c)	420	3	41	10	20	—	—	"
Racal (p)	360	8	2	13	2	15	—	"
Racal (p)	390	20	—	25	1	30	—	"
Racal (p)	420	45	—	50	25	--	--	"
RTZ (c)	420	22	5	35		45	—	419p
Vaal Rfs. (c)	40	7	9	9	7	9	—	$46
Vaal Rfs. (c)	45	3	—	4¾	5	6½	1	"
Vaal Rfs. (c)	50	1	—	2¾	5	3¾	—	"
Vaal Rfs. (p)	35	¾	—	1	—	1½	3	"
Vaal Rfs. (p)	40	1½	—	2¼	2	3¾	--	"
Vaal Rfs. (p)	45	3¼	—	3¾	4	5½	—	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$325	—	—	50	31	1	42.50	$327.25
GOLD C	$350	395	8	6	19	11	33	"
GOLD C	$400	1	1.20	1	6	—	--	"
GOLD P	$300	25	4.50	—	—	1	11.60	"
GOLD P	$325	11	13.50	--	--	3	21.50	"
GOLD P	$350	—	—	21	27.50	—	—	"
GOLD P	$375	—	--	1	46	—	—	"
GOLD P	$400	—	—	2	71	—	—	"
12¾ NL 81 87-91								
C	F.110	—	—	276	2.80	--	—	F.112
C	F.112.50	—	—	15	1.50	50	2	"
C	F.115	—	—	15	0.60	—	—	"
P	F.110	—	—	58	0.90	—	--	"
10¾ NL 80 86-95								
C	F.100	—	—	150	2.60	--	--	F.101.30
C	F.102.50	—	—	—	—	13	1.60	"
C	F.105	—	—	—	—	15	0.80	"
11¼ NL 82 88-92								
C	F.102.50	—	—	4	2.10	—	—	F.103.20
		April		July		Oct.		
AKZO C	F.25	52	5	22	5.20	--	—	F28.80
AKZO C	F.30	15	0.80	75	1.60	26	3.30	"
AKZO P	F.30	--	—	97	1.90	11	2.30 A	"
AMRO C	F.50	10	0.70	10	1.60	—	—	F.48.90
HEIN C	F.55	68	1.50	42	3	...	—	F.55.90
HOOG C	F.15	35	1.30					F.16.40
HOOG C	F.17.50	9	0.20	20	0.80	10	1.20	"
HOOG P	F.17.50	30	2.20	-		30	2.80	"
KLM C	F.90	8	24.10	-		--	..	F.113.50
KLM C	F.100	146	14	90	17.80	..	--	"
KLM C	F.110	153	5.60	23	11	—	—	"
KLM C	F.120	175	1.60	..	..	—	—	"
KLM P	F.90	...	--	-	..	4	2.60 A	"
KLM P	F.100	66	0.40	10	3	17	4.50	"
KLM P	F.110	115	1.90 A	89	5	—	—	"
KLM P	F.130	6	8	—	—	—	—	"
NEDL C	F.120	—	—	12	6.80	—	—	F.119
NEDL C	F.130	—	—	28	3.10 B	—	—	"
NEDL C	F.140	—	—	5	1.30	—	—	"
NEDL P	F.120	—	—	8	11.80	-	--	"
NATN C	F.110	—	—	5	3.40	—	—	F.109.30
NATN P	F.105	—	—	5	1.40	--	—	"
PETR C	Fr.4000	-	--	9	960	—	—	Fr. 4880
PHIL C	F.20	85	4.40	—	--	--	--	F.24.30
PHIL C	F.22.50	357	1.90	251	2.20	30	3	"
PHIL C	F.25	184	0.30	339	1	140	1.40	"
PHIL P	F.22.50	—	—	--	—	33	0.90	"
PHIL P	F.25	—	—	168	1.70	24	1.90 A	"
RD C	F.70	--		5	17.50	—	..	F.86.60
RD C	F.80	87	6.90	49	7.60	--		"
RD C	F.90	191	0.40	80	2.30	51	3.70	"
RD C	F.100	—	--	5	0.60	—	--	"
RD P	F.80	--	—	34	1.60	10	3	"
RD P	F.90	—	--	6	7.50	..	..	"
UNIL C	F.150	--	--	10	7.20 B	—	—	F.156.50
UNIL C	F.160	--	—	10	2.50 A	—	—	"
UNIL P	F.150	40	0.60	—	—	—	—	"
		May		Aug.		Nov.		
MANN C	DM.150	30	7	30	9.50	—	—	DM.153
SIEM C	DM.240	-	—	40	4	—	—	DM.225
VW C	DM.150	40	2	—	-	—	—	DM.145

TOTAL VOLUME IN CONTRACTS: 4854

A=Asked B=Bid C=Call P=Put

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Markheath hits £1.25m target

TAXABLE PROFITS of property development concern, Markheath Securities, have risen from £1.03m to £1.34m for 1981. This is in line with the forecast of not less than £1.25m made in last August's prospectus in connection with the quotation of the company's preferred shares on the unlisted securities market.

The principal contribution to profits during 1981 arose from the sale of the office development at Muswell Hill to London Life Association. Turnover for the year moved ahead from £3.9m to £5.13m.

There is again no tax charge but extraordinary debits increased from £112,000 to £301,000 leaving an attributable surplus of £1.04m, compared with £915,000.

Stated earnings per ordinary and preferred share improved from 11.42p to 14.85p. The first yearly dividend of 6.825p, payable on the 54.6 per cent cumulative convertible preferred shares will be paid on May 17. In accordance with the articles of association, 237,940 ordinary shares will be converted into a similar number of preferred shares on June 30 1982.

The preferred dividend absorbs £389,000 (nil) and retained profits emerged lower at £667,000, against £915,000.

Construction work on the office development in New Barnet is scheduled for completion by the end of April and negotiations are taking place with the letting of this development. The office development in Ilford is due for completion by the end of May and negotiations for the letting of this development are also taking place.

Work began last month on the new 83,000 sq ft office development at Stratford Broadway, which is due to be completed in summer 1983. Further houses are being constructed at the Albon Park Estate, Elstree and a selling programme is due to start during May. Construction work on the housing development at Northwood will begin in the next few weeks.

Better trend for BVI

ALTHOUGH THE 1981 results of British Vending Industries reveal increased losses of £456,036 at the pre-tax level, compared with £186,062 previously, the group halted the downturn in the second six months and for the period was virtually at break-even.

After six months losses had expanded to £469,392 (£66,833) and in their interim statement the directors said it was not possible to predict when the group would return to profit.

They point out now that there was an improvement in trading results during the last quarter of 1981 and that this trend was maintained during the early part of the current year.

Turnover for the year under review slipped from £19.51m to £19.39m and the trading loss was £117,193 (£142,033 profit).

The pre-tax figure was struck after higher interest charges of £338,843 (£328,095). After tax credits of £209,787 (£92,305) and extraordinary credits of £1.04m (nil) there was a turnround from an attributable loss last time of £93,737 to a profit of £790,755.

Loss per 10p share emerged at 2.39p, against 1.1p. There is again no dividend—the last payment was a 0.7p net final for 1979.

The sale of unprofitable activities and efforts to reduce overheads and bank borrowings are showing the first signs of success which the directors hope will start to be seen in the results for 1982.

The group's principal activities include the manufacture and sale of powdered vending ingredients, the marketing of disposals and the operation of vending machines.

Burgess well ahead midway

FOR THE 26 weeks to January 30 1982 taxable profits of Burgess Products (Holdings) advanced from £112,000 to £282,000 on turnover marginally lower at £10.61m, compared with £10.96m.

The figures were struck after interest charges of £205,000, against £313,000, and were subject to tax of £69,000 (£27,000).

Stated earnings per 25p share improved sharply from 1.6p to 4.1p but the net interim dividend is being held at 0.5p—a final of 3p was paid for 1980/81 from pre-tax profits of £833,000 (£1.24m).

The directors say it is of prime importance to preserve the sound foundation established by restraining all demands on the group's cash.

The group has interests in acoustical and electrical engineering and manufacturing.

NET reduces losses to I£23.4m

Increased sales and a drive to cut costs and improve efficiency helped the Irish state-owned chemical company, NET, substantially increase its trading profit to I£23.4m last year.

The company's heavy interest and debt repayment are still preventing it from making an overall profit, but losses were reduced from I£55.9m in 1980 to I£37.1m last year.

The company received I£50m in state funds during the year and outstanding borrowings fell from just over I£200m to I£179m.

Rationalisation of NET's operations, including an end to the manufacture of complete compound fertilisers, cost I£3m, while repair work on the company's ammonia/urea plant at Cork, which uses natural gas from the Kinsale field, cost a further I£2.7m. Exports rose significantly, from I£11m to I£25m.

Sedgwick well placed to strengthen its position

THE BOARD of Sedgwick Group, the largest independent insurance broker in the UK, is confident that with its resources the group is well placed to maintain and strengthen its position of leadership during 1982, Mr Neil Mills, the chairman, tells members in his annual statement.

For 1981, group pre-tax profits rose by 36 per cent to £56.4m—as reported March 19. Revenue totalled £168.8m (£135.1m) and this 25 per cent increase highlighted the encouraging amount of new business acquired worldwide.

Mr Mills says the year was one of significant growth for Sedgwick. "I can assure you that in 1982 we shall capitalise on the advances made during 1981, by further development of the unique blend of skill, enterprise and individuality which must continue to be the bedrock of our success," he states.

The current strategy and policy of the group in the U.S. is actively to maintain and develop its substantial portfolio of wholesale business, which it places in the London and world markets on behalf of a very large number of U.S. brokers. In this field Sedgwick is the largest broker in the world.

During 1981 certain of the group's operations in Canada were restructured. Sedgwick Alexander Inc., in which Alexander and Alexander Services has a 49 per cent interest, was formed to handle the group's retail business in Canada. In addition, Lukis Stewart was formed to handle certain specialised wholesale businesses from U.S. sources previously handled by Lukis Stewart Sedgwick Forbes, of which both Sedgwick Alexander and Lukis Stewart are subsidiaries.

On the property side, good progress is being made with the construction of new buildings on the Gardiners Corner site. Work on the new offices is on schedule and work on the sports and conference centre has recently begun. The car park was completed on time and within budget and is now in use.

The total cost of acquisition and building is still estimated to be around £60m and by the end of 1981 the group had spent £22.7m, all financed from internal cash resources.

Last year, the chairman said it would be necessary to finance part of the construction costs from external sources. He now reports that agreement has been reached, in principle, on the terms of a £30m medium term loan facility to be made available to the group and which will be secured on the Gardiners Corner development.

Mr Mills comments on the Bill at present before Parliament which, if passed in its present form, would result in the group being required to divest itself of its Lloyd's managing agencies within the next five years.

The chairman says that while profits from these agencies are important in themselves, they are less significant in the overall group context. He reports that Sedgwick is reviewing carefully the implications of the Bill so that the interests of its underwriting names, shareholders, and staff involved in these activities are safeguarded.

The terms of the Bill do not affect the group's Lloyd's members agency activities.

At the year end, the group's property and equipment amounted to £52.56m (£40.27m). Net current assets rose from £9.92m to £13.67m and net assets of the insurance companies were higher at £20.65m (£15.09m). Shareholders' funds increased from £73.59m to £96.22m.

Pitney Bowes expands 20% to £5.36m

PRE-TAX PROFITS of Pitney Bowes, the Essex based mailing and business equipment concern, rose by 20 per cent from £4.46m to £5.36m for 1981, on turnover of £33.33m, against £31.37m. Half-year taxable figures were ahead from £2.77m to £3.42m.

Growth, however, was at a slower rate than in the previous year in the face of what Mr Tim Gilligan, the chairman, describes as a difficult year, particularly in export markets.

After-tax profits for the 12 months were up 7.8 per cent from £3m to £3.24m. No ordinary dividend is proposed. The company is owned by Pitney Bowes, U.S.

The major trend in the company's results was a shift in the ratio of home market to export sales. European exports held up and the main cause of an overall fall in exports was a sharply reduced contribution from North America.

However, aggressive marketing began to revive exports during the closing months of 1981. Also at the end of the year the company introduced new products which are now making their presence felt.

On a CCA basis, pre-tax profits were £4.07m (£3.38m).

Higher profit at Hall-Thermotank

Taxable profits at Hall-Thermotank rose from £4.08m to £4.27m although turnover for 1981 was lower at £83.64m, compared with £88.36m.

The company is a subsidiary of APV and makes marine, industrial and commercial refrigeration, heating and ventilation.

Earnings per share were given as improving from 10.3p to 11.8p after a lower tax charge of £1.11m (£1.23m).

Minorities took less at £36,000, compared with £69,000. Extraordinary debits were £247,000 (£285,000).

Derek Crouch warning

At the annual meeting of Derek Crouch, the chairman said a downturn in profits was anticipated in 1982.

However, the cash flow was such that the dividend for 1982 will be at least maintained.

The board intends to concentrate on developing the existing businesses. The chairman drew attention to workload in open cast coal in the UK and to coal reserves owned by Power Inc. in the U.S.

A new coal preparation plant and a 12-yard dragline had been ordered in the U.S. and should be operational by October, with a substantial effect on profits expected in 1983.

THE TRING HALL USM INDEX
121.5 (no change)
close of business 1/4/82
BASE DATE 10/11/80 100
Tel: 01-638 1591

LADBROKE INDEX
Close 556-571 (+1)

APPOINTMENTS

LEGAL NOTICE

IN THE MATTER OF
A. LONG & CO. LIMITED
(IN LIQUIDATION)
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 30th day of April, 1982, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned John Frederick Powell, F.C.A., of Cork Gully, Abacus House, Gutter Lane, London EC2V 8AH, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 24th day of March 1982.
J. F. POWELL,
Liquidator.

ART GALLERIES

Guinness finds a Haven for its holidaymakers

BY GARETH GRIFFITHS

English China Clays has bought Toucan Holiday Villages and Toucan Afloat from Arthur Guinness for £13.2m cash in a deal which effectively doubles the size of ECC's holiday subsidiary, Haven Leisure, and represents a further slimming down of Guinness's non-brewing business.

The Guinness disposal announced yesterday covers nine holiday villages in the UK, 100 cruisers on the Norfolk Broads, 200 cruisers in France and 30 cruisers in Florida. Haven previously owned nine holiday parks in the UK and a holiday park at Royan on the French West coast.

ECC says the acquisition means that its holiday interests will now be able to handle some 400,000 holidaymakers a year instead of the present 200,000.

The company has paid £11m on completion of the deal yesterday and will pay the balance by July 31.

Finance is being raised by means of an increase in ECC's existing medium-term loan provided by a syndicate of bankers.

The asset value of the acquired Guinness interests at March 31, 1981 was £12.4m which produced a trading profit of £1.2m after allowing for certain adjustments such as Guinness management costs. The Toucan name will revert to Guinness at the year-end.

Mr Jack Williams, the chairman of Haven Leisure, said the company had paid very little for goodwill, and that the deal placed Haven in the top four holiday companies in the UK with Butlin's, Pontin's and Ladbroke. Haven has also agreed to buy another French holiday camp at Montpelier for about £1m.

The agreement does not cover the Emerald Star line which operates boats on the River Shannon in Ireland, or Guinness's Greek island cruising interests. The deal had been under discussion for three months.

Guinness is reviewing its non-brewing interests. The company had a pre-tax profit of £41.8m for the year ending September 26, 1981 on turnover of £905.6m. The leisure division, which included the Toucan companies lost £1.6m.

Guinness sold its loss-making confectionery subsidiary Callard and Bowser Nuttall to Chicago-based Beatrice Foods Company last month for £4m cash.

ECC made a pre-tax profit of £41.69m in the year-ending September, 1981 on turnover of £344.99m.

Cawoods in possible bid talks

THE BOARD of fuel distribution and aggregates group, Cawoods Holdings, announced yesterday that it was in the early stages of negotiations which may lead to a bid for the group.

Advised by Barings, the group said the disclosure had been made in the light of a sharp rise in the share price earlier this week when the quote rose from 198p to 208p. Disturbed by the heavy dealings — as many as 80,000 shares are understood to have changed hands just ahead of the announcement—the group is considering whether to take the matter further with the Stock Exchange.

The identity of the bidder remains a matter of speculation but Cawoods' 9.1 per cent in Lasmo prompted rumours of a defensive move from that source while Charter Consolidated and Consolidated Goldfields were also tipped as potential contenders.

NORFOLK CAPITAL SELLS KENSINGTON FAIRWAY INN

The Norfolk Capital Group, the hotel group headed by Sir Maxwell Joseph, is to sell the Kensington Fairway Inn in London for £1.2m cash to the Rabheru group, which owns the Julius Caesar hotel. Norfolk plans to use the money to reduce borrowing incurred during the current year.

Norfolk said the deal would not be completed for several months and would not contribute materially to profits until 1983. In the last financial year ending September 30 1981, Norfolk made a pre-tax loss of £29,428 on a turnover of £8.34m.

The Kensington hotel was completed last year and Norfolk has been very involved in improving its 13 hotels to four star level. In January it purchased the Angel Hotel in Cardiff.

SHARE STAKES

Bisichi Tin—Jantar has bought 10,000 shares, bringing holding to 1,014,500 (15.53 per cent).

Royal Bank of Scotland — 50,000 ordinary in which director J. C. R. Inglis is interested as a trustee have been sold.

Marks and Spencer—Director Michael M. Sacher no longer interested in a further 85,545 ordinary previously held as trustee.

Godfrey Davis (Holdings) — Director Geoffrey G. M. Nokes acquired 2,500 ordinary at 83p per share.

Whitbread—Director H. C. Whitbread disposed of 10,000 "B" ordinary on March 16.

Mercantile Credit buys 25% stake in Appleyard

Suter Electrical disclosed yesterday that it had sold its 24.87 per cent stake in loss-making vehicle distributor, Appleyard Group, to the instalment credit subsidiary of Barclays Bank, Mercantile Credit.

The stake held by Suter, the commercial refrigeration group headed by former VL executive, Mr David Abell, has been built up in a series of tranches over several months and a full bid had been rumoured. Mercantile Credit bought the shares outside the Stock Exchange at a price thought to have been in line with the prevailing market quotation.

Mr Rodney Pollard, a director of Mercantile, pointed out that it was quite usual for an instalment credit house to hold stakes in garage groups, for which they provide much vehicle finance. He said that Mercantile was not involved in this way with Appleyard although it was hoped to provide facilities. The deal, he said, "will keep us in touch with the motor market generally."

The finance house had no immediate plans to put a representative onto the Appleyard board and it was too early to say whether the parent, Barclays, would be aiming to provide clearing bank services. Mercantile has a 13.81 per cent holding in another vehicle distributor, Manor National Group Motors.

Brent Chemicals International—Director H. W. Cross no longer has an interest in 60,000 ordinary registered in joint names of H. W. Cross, O. Cross and B. O. Chilver.

Reed International—Directors J. D. Cormie and K. J. Morton exercised options to buy at 175p a share 20,000 and 7,500 ordinary respectively. Shares immediately sold in both cases at 277p a share.

Disposal by Leigh Interests

Leigh Interests has sold to Espley-Tyas Construction Group the shares of the builders merchanting companies Hockley Heath Building Supplies and Timmings and Foulkes.

Consideration was £510,000 cash—marginally higher than book value. Profits of the two companies in the year ended March 31 1981 was £22,000.

Leigh will deploy the funds received in its mainstream environmental business.

Finnish group approaches Bula Mines

THE FINNISH metals company Outokumpu has approached Bula Mines, which owns part of a lead-zinc orebody at Navan in Ireland's County Meath, with a view to acquiring a stake.

Outokumpu is believed to be interested in smelting part of the production from Bula, perhaps in proportion to any eventual stake it may obtain in the venture, reports Brendan Keenan from Dublin.

The existence of the orebody has been known for more than 10 years, and Tara Mines has been operating its portion for some time, but Bula has never been able to gain final approval for the development of its section.

Bula was recently refused permission for open-cast mining of the ore, which has been valued at between Ir£40m (£32m) and Ir£100m.

DEVON DOCK

Offers for all the share capital of the Devon Dock, Pier and Steamship Company by F. W. S. Carter and Sons have become unconditional in all respects, Barclays Marchant Bank has announced.

Acceptances have been received in respect of £82,857 new ordinary stock £82,857 deferred stock and £40,037 preference stock representing respectively approximate 98 per cent of the total issued ordinary approximate 98 per cent of the total issued deferred capital and 100 per cent of the total issued deferred capital and 100 per cent of the total issued preference capital.

The offers remain open until April 17, 1982. Carter intends to acquire compulsorily any of the outstanding capital of Devon Dock.

At a board meeting of Devon Dock following the extraordinary meeting Mr A. F. Pratt resigned and Mr R. H. R. Carter was appointed to the board.

Australia's West Coast Holdings and Command Minerals are making a three-for-five issue of share options at 5 cents. The options are convertible up to September 1983 and the 5 cents subscription will be credited against the exercise price of 25 cents (14.7p).

Redland offshoot bought out

Redland Automation, part of the Redland tiles and building products group, is to be bought out by 11 of its UK and U.S. managers with backing from the National Coal Board pension funds, Barclays development capital and Equity Capital for Industry.

The company is being sold for £5.4m and the institutions have provided £3.1m in a package of equity, preference shares and secured loan stock. Equity worth £801,000 has been issued with the seven UK and four U.S. managers buying £201,000 and the institutions the rest. The shareholding has been structured to provide the managers with an initial 25.1 per cent of equity with the ultimate management share varying between 20 and 40 per cent depending on profitability during the next few years. Some £1.5m is being raised by bank borrowing.

Redland Automation has plants in Florida, Texas and Winchester and manufacturers control instruments for the oil and gas industries and traffic control devices. It employs 250 people and has a turnover annually of between £6m and £7m. Some 80 per cent of turnover is from overseas.

BENN BROTHERS

Benn Brothers has acquired for £120,000 cash the capital of Mackintosh Publications, the publishing arm of Ian Mackintosh International.

Mackintosh produces periodicals and reports in the electronics field, including publications with an international circulation. Benn will change the name of the company to Benn Electronics Publications, and intends to develop and add to the electronics titles.

TOOTAL/BRUCK

Tootal Group is selling to a subsidiary of Bruck (Australia) its 49.9 per cent holding in Bradmill Industries in Australia, together with other Australian assets.

This agreement replaces that made last November for the sale of part of the group's interests, but is on equivalent terms.

VAG takes over marketing

VAG (UK), the Lonrho-owned importer of Volkswagen/Audi cars, is to take over the UK marketing of all commercial vehicles produced by VW and MAN. The latter is West Germany's second largest truck maker.

MAN-VW Truck and Bus, the joint marketing company set up three years ago by the two West German manufacturers, Lonrho and Tozer, Kemsley and Millbourn, is to become a division of VAG.

As part of the reorganisation, TKM has sold its shareholding in the company to Lonrho. The company was set up with Lonrho and TKM each holding 37 per cent, with the remaining 26 per cent divided equally between the West German manufacturers. TKM previously wholly-owned the MAN importing agency.

The MAN-VW division will continue to be responsible for medium and heavy trucks and buses — including the MT medium truck range which is built jointly by MAN and VW — but all light commercials—the VW Golf van, Transporter and LT panel vans—will be marketed directly by VAG.

The joint company was devised as part of a "grand strategy" drawn up by VW and MAN to pool their marketing operations across Europe.

Similar companies have already been set up in France, West Germany and Holland.

A three-tier dealer network was devised, mostly selling the light vans and possibly cars, with a smaller number of outlets concentrating on light and medium trucks, a core of full "truck centres" concentrated on the heavy trucks sector.

There are indications, however, that both manufacturers feel the strategy is not working as well as had been hoped, and that the change taking place in the UK will be repeated in other European markets.

VAG said yesterday that the changes were unlikely to have any immediate effect on dealers, although customers should be in a position to benefit from VAG being in a position to offer a complete range of commercials.

Mr Michael Heelas, VAG's managing director, said the company was expecting a substantial pick-up in the depressed UK commercial vehicle market from next spring. The reorganisation was designed to allow it to increase market share across the commercial vehicles spectrum.

A spokesman for MAN Truck and Bus said last night it was too early to say what the possible effects on management structure might be.

Intasun bids for Lancaster

Intasun Leisure Group and D. M. Lancaster, the Club 18 to 30 holiday group, have agreed terms for a recommended offer by Intasun for D. M. Lancaster. The deal, worth £4.36m, provides for a cash offer of 27½p for each ordinary 5p share.

The takeover is certain to be accepted by Lancaster as Mr Werner Rey, the company's largest shareholder with 71.38 per cent of the issued share capital, has given "an irrevocable undertaking" to accept the offer.

Mr Harry Goodman, Intasun's chairman, said yesterday that he was delighted about the acceptance and that Club 18 to 30 would continue under completely separate management. The acquisition will take Intasun into the more specialised type holiday market. Lancaster handled 30,000 holidays last year compared with more than 500,000 passengers carried by Intasun. Mr Goodman said the company was still very cash rich—it will finance the deal from its own cash reserves.

He added that Club 18 to 30 would benefit from the expansion in the number of UK airports it could operate from. At present it uses four UK in contrast to the 12 used by Intasun.

DML, which is quoted on the Stock Exchange, made pre-tax profits in the year ending December 1981 of £535,835. Intasun, which is dealt in on the Unlisted Securities Market, made taxable profits of £15.13m for the six months ending September 30 1981.

Turriff overseas growth

Turriff Corporation has acquired the goodwill, business and fixed assets of Value Engineering (WA) Pty through the medium of a newly-formed company which will be a wholly-owned subsidiary of Turriff.

Value's Head Office is in Perth, Western Australia, and it also operates from Brisbane in Queensland. It provides technical support services particularly in the mining, oil and chemical industries in Australia and to a limited extent in South East Asia.

The consideration for the acquisition will be based on the average pre-tax profits of the Value business for the three years to June 30 1983 and, based on current projections, it is expected to amount to approximately A$900,000 in cash (approximately £530,000).

This is payable as follows: A$300,000—on completion (March 26 1982); A$250,000—on September 30 1982; and the balance—on October 30 1983. The minimum consideration is A$550,000 and the maximum is A$1,550,000. The adjusted net profit before tax of Value for the year ended June 30 1981 was A$327,000. The present fixed assets of Value have been professionally valued for the purpose of the acquisition at approximately A$50,000.

SOGOMANA TO SELL 527 ACRES

THE Sogomana Group, rubber, palm oil and cocoa holding company, has agreed the sale of 527 acres of Shelford Estate in Malaysia to Golden Crest, a Malaysian subsidiary of Goodyield Plaza for £8.557m.

Sogomana expects to put the deal to its shareholders at an extraordinary general meeting within the next month. The deal has to be approved by the Malaysian government and this could impose a delay of several months before the board can announce whether the sale has become unconditional.

The company has not yet decided what to do with the sum raised by the sale. Shelford Estate is entirely planted with oil palms. For the 12 months to December 1980, Shelford Estate's attributable pre-tax profits were £29,700 or 4.12 per cent of the group's £765,392, on turnover of £1.49m.

NO PROBE

The proposed merger between Enoxy Inc and International Synthetic Rubber is not being referred to the Monopolies Commission.

RESULTS AND ACCOUNTS IN BRIEF

WINTERBOTTOM ENERGY TRUST—Net asset value on March 26 was 57.4p after prior charges at par and 60.1p after prior charges at market.

KODE INTERNATIONAL (electrical equipment manufacturer)—Results for the year to December 31 1981 and prospects reported March 13. Fixed assets £2.95m (£2.51m), net current assets £2.66m (£2.25m). Shareholders' funds £5.31m (£4.61m). Decrease in stocks and work in progress £295,000 (£78,000 increase); increase in bank balances £826,000 (£123,000); decrease in creditors £8,000 (£817,000 increase). Meeting: Swindon, April 30, noon.

JAMES DICKIE & CO. (DROP FORGINGS)—Final dividend 1.5p making 3p (3.938p) net for year to October 31 1981. Turnover £4.12m (£4.89m). Pre-tax profit £29,000 (£87,000). Tax credit £42,000 (charge £34,000), making profit £71,000 (£53,000). Earnings per share 3.83p (2.85p). Attributable £232,000 (£53,000) including extraordinary credit of £161,000 (nil) being provision for deferred tax re stock relief, no longer required.

IMI (fabricated products and components, metal refining)—Results for 1981 reported March 17. Group shareholders' funds £256.15m (£231.43m). Loans £57.9m (£44.25m). Fixed assets £116.17m (£99.04m). Net current assets £147.81m (£132.94m). Net liquid resources increased £18.3m (£8.6m). Payment to former executive director £71,000 (nil). Meeting, Birmingham, April 27, noon.

MEMEC (MEMORY AND ELECTRONIC COMPONENTS) (electronic components and microprocessor systems distributor)—Results for 1981 and prospects already known. Shareholders' funds £2.8m (£1.56m); net current assets £2.2m (£2.16m); increase in net liquid funds £1.56m (£353,000). Meeting: Great Eastern Hotel, EC, April 21, noon.

HIGH GOSFORTH PARK—Dividend 12p (same) year 1981. Profit (figures in £000) £29,846 (£11,450) after tax £16,286 (£13,294).

VANTONA GROUP (household textiles, women's wear, uniforms)—Results for year to November 29, 1981 reported February 24. Group shareholders' funds £46.27m (£43.71m). Fixed assets £20.63m (£20.16m). Net current assets £25.94m (£23.28m). Chairman says that given a reasonable improvement in spending power and removal of uncertainties, the potential for recovery in profits is greater than ever before. Meeting, Manchester, April 27, 2.30 pm.

MERCANTILE INVESTMENT TRUST—Results for the year to January 31 1982 reported March 5. Investments listed in the UK at valuation £69.73m (£63.33m), overseas £59.23m (£48.78m), unlisted £8.09m (£12.79m). Net current assets £461,000 (£4.62m liabilities). Shareholders' funds £114.96m (£99.65m). Meeting: The Chartered Insurance Institute, 20, Aldermanbury, EC, April 27, noon.

LYON AND LYON (motor distributor, transport contractor and shipbuilder and repairer)—Results for 1981 reported March 20. Shareholders' funds £4.84m (£4.74m); fixed assets £3.28m (£2.57m); net current assets £1.41m (£2.02m) including bank overdraft £704,348 (£93,115); decrease in liquid funds £865,328 (£622,233 increase). CCA pre-tax profits £198,000 (£377,000) against historic £353,814 (£613,654). Meeting: Knottingley, April 23, 12.15 pm.

HOLL ENGINEERING (HOLDINGS)—Results for 1981 already known. Shareholders' funds £34.74m (£30.81m); fixed assets £19.43m (£13.35m); current assets £40.93m (£37.45m), including debtors £20.93m (£16.14m); net current assets £14.93m (£17.24m). Meeting: National Exhibition Centre, Birmingham, April 22, at 10.15 am.

CHEPSTOW RACECOURSE—Group turnover for 1981 £560,449 (£523,782). Attributable profit £16,081 (£32,857) after tax of £12,300 (£15,600). Stated earnings per £1 share 0.113p (0.294p). Dividend 4p net (same).

JOHNSTONE'S PAINTS—Results for year to November 28 1981 reported March 17. Group fixed assets £2.2m (£2.08m). Net current assets £2.81m (£2.04m) including deposits and bank balances £2.71m (£0.79m). Shareholders' funds £4.75m (£4.01m). Chairman says turnover for period to date is marginally higher than same period in 1981, but currently sales are buoyant. Meeting, Ashton-under-Lyne, April 26, at 11.30 am.

STEETLEY (minerals, construction and chemicals)—Results for 1981 and prospects reported March 19. Shareholders' funds £148m (£136m). Fixed assets £156.7m (£143.24m). Current assets £139.69m (£117.86m), current liabilities £83.79m (£77.91m). Stocks and work in progress £63.5m (£49.8m). Capital expenditure £27.4m (£18m). Meeting: Great Eastern Hotel, EC, April 22, 11.30 am.

BASE LENDING RATES

A.B.N. Bank	13 %	Grindlays Bank	‡13 %
Allied Irish Bank	13 %	■ Guinness Mahon	13 %
American Express Bk.	13 %	■ Hambros Bank	13 %
Amro Bank	13 %	Heritable & Gen. Trust	13 %
Henry Ansbacher	13 %	■ Hill Samuel	§13 %
Arbuthnot Latham	13 %	C. Hoare & Co.	†13 %
Associates Cap. Corp.	13 %	Hongkong & Shanghai	13 %
Banco de Bilbao	13 %	Kingsnorth Trust Ltd.	14 %
BCCI	13 %	Knowsley & Co. Ltd.	13½%
Bank Hapoalim BM	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½%	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½%
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	13½%	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½%	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	15½%	Trustee Savings Bank	13 %
Cayzer Ltd.	13 %	TCB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½%
Choulartons	13½%	Williams & Glyn's	13 %
Citibank Savings	¶12½%	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Consolidated Credits	13 %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13½%		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
Robert Fraser	14 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.6%.

† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11¼%.

‡ Call deposits £1,000 and over 10%.

‖ 21-day deposits over £1,000 11¼%.

§ Demand deposits 10¼%.

¶ Mortgage base rate.

COMPANY NOTICES

JUTLAND TELEPHONE COMPANY LIMITED
5¾% U.S.$ Bonds of 1964

S. G. WARBURG & CO. LTD., announce that the annual instalment of Bonds for a nominal value of U.S.$666,000 (First Series) and U.S.$333,000 (Second Series) has been met by purchases in the market to the nominal value of U.S.$309,000 (First Series) and by a Bond drawing to the nominal value of U.S.$357,000 (First Series) and U.S.$333,000 (Second Series).

The distinctive numbers drawn in the presence of a Notary Public are as follows:—

First Series

03543	03544	03548	03549	03553	03554		03574
	03586	03591	03592	03595	03596	03602 to	03619
03651 to	03654	03656 to	03659	03663 to	03669	03676 to	03660
03745 to	03747		03759		03813	03868 to	03871
03876 to	03878	03909	03910	03913	03914	03939	03940
03968 to	03972	03983 to	03985		03996	04002 to	04010
04039 to	04042	04046	04047		04049		04095
04099 to	04101	04116 to	04120	04144 to	04147	04164	04165
	04187		04190	04192 to	04194	04227 to	04229
04241 to	04243		04270	04357 to	04365	04369 to	04374
04377 to	04386	04388	04389	04396 to	04422	04451	04462
04471 to	04475		04515	04564	04565		04614
	04621		04623	04636 to	04652	04666 to	04668
04692 to	04701	04719 to	04725	04739	04740	04757	04758
04771 to	04775		04798	04839	04840		04862
	04878	04881	04882	04895	04896	04916 to	04945
	04976		04992	05034 to	05037		05045
	05062	05070 to	05079	05086 to	05110	05170 to	05173
	05217	05219 to	05223		05229		05263
05273 to	05282		05294	05341 to	05346	05348 to	05360

Second Series

03074	03075	03126 to	03133	03136	03137		03139
03155 to	03158	03164 to	03173	03177 to	03179	03185 to	03198
03202 to	03215	03225 to	03231	03235 to	03239	03257 to	03280
03286	03287		03289	03307 to	03311	03314 to	03321
	03341	03346 to	03352		03368	03370	03371
03374	03375	03397 to	03409	03524	03525		03826
03933 to	03942	03961 to	03974	03976 to	04014	04017 to	04028
04035 to	04042	04051 to	04059	04063 to	04078	04086 to	04098
04105 to	04116	04123 to	04135	04139 to	04146	04150 to	04154
04161	04162		04165	04211 to	04223	04229 to	04232
04237 to	04248		04285	04305	04306		

On 1st May, 1982 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London EC2P 2EB,

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st May, 1982 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$1,342,000 nominal Bonds (First Series) and U.S.$671,000 nominal Bonds (Second Series) will remain outstanding after 1st May, 1982.

30, Gresham Street, London EC2P 2EB. 2nd April, 1982

NEW KLEINFONTEIN PROPERTIES LIMITED

(Incorporated with limited liability in the Republic of South Africa)

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the eighty-sixth annual general meeting of members will be held in the board room, 24th Floor, 45 Commissioner Street, Johannesburg, on Wednesday, 28 April, 1982, at 9 am for the following purposes:

1. To receive and consider the annual financial statements for the year ended 31 December, 1981.
2. To elect directors.
3. To fix the remuneration of the auditors for the past audit.
4. To renew, in accordance with Section 221 of the Companies Act, 1973, the authority granted to the directors to allot and issue 990,000 (nine hundred and ninety thousand) of the 4,930,000 (four million nine hundred and thirty thousand) shares of 25 cents each in the capital of the company, at present held in reserve.
5. To transact such other business as may be transacted at an annual general meeting.

For the purpose of determining those members entitled to attend and vote at the aforementioned meeting, the transfer books and register of members will be closed from 22 to 28 April, 1982, both days inclusive.

Members unable to be present at the meeting are requested to complete a form of proxy which must be deposited at either the Johannesburg or London Offices of the company at the addresses given below, together with any power of attorney or other authority under which it is completed, not less than forty-eight hours before the time fixed for the meeting.

Any member of the company is entitled to appoint a proxy or proxies to attend and speak and, on a poll, to vote in his stead. A proxy representing a corporation may also vote as a proxy on a show of hands unless such proxy is a member and is voting in his own right. A proxy need not be a member of the company.

Holders of share warrants to bearer, desiring to be present or represented at the meeting, must produce their share warrants at the places and within the times mentioned below:

(a) At the registered office of the company, 45 Commissioner Street, Johannesburg, at least forty-eight hours before the time fixed for the meeting.

(b) At the company's London office, 20 Southampton Place, London WC1A 2BQ, at least fifteen days before the date fixed for the meeting.

(c) At the office of the Paris agents of the company, Credit du Nord et Union Parisienne - Union Bancaire, 6-8 Boulevard Haussmann, Paris 75-9, at least fifteen days before the date fixed for the meeting.

By Order of the Board,
AFRICAN FINANCE CORPORATION LIMITED
Secretaries
per: A. ZOGRAPHOS

31 March, 1982

THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

(Incorporated in the Republic of South Africa)

ANNUAL GENERAL MEETING

The Annual General Meeting of the above company will be held in Union Corporation Building, 74-78 Marshall Street, Johannesburg, on Friday, 23 April 1982 at 10h00.

per pro. General Mining Union Corporation (U.K.) Limited
London Secretaries
L. J. Baines

30 Ely Place
London EC1N 6UA
2 April 1982

SOCIETE NATIONALE INDUSTRIELLE AEROSPATIALE

10% 1975/1985 FF 100,000,000

Pursuant to the terms and conditions of the above loan, Bonds for a nominal amount of FF 6,880,000 have been drawn for redemption in the presence of a Notary Public on March 18, 1982.

The following Bonds will be reimbursed at par value on or after May 6, 1982, coupon due May 6, 1983 and following attached:

6669 to 8687 inclusive
8562 to 9230 inclusive

Amount bought on the market: FF 7,120,000
Amount outstanding: FF 43,000,000

Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg, April 2, 1982

SKANSKA BANKEN

US$ 10,000,000 FLOATING RATE CAPITAL NOTES 1989

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the six months Interest Period from 2nd April to 4th October 1982 the Notes will carry an Interest Rate of 15¾% per annum and the Coupon amount per US$ 500,000 will be [illegible].

SCANDINAVIAN BANK LIMITED
Fiscal Agent

DOME PETROLEUM

$US 50 MILLIONS FLOATING RATE NOTES 1982/1989

For the six months March 18, 1982 to September 19, 1982 the notes will carry an interest rate of 15[illegible]% per annum.

The interest due September 20, 1982 against coupon No. 1 will be $US 810.52 and has been computed on the actual number of days elapsed (185) divided by 360.

The Principal Paying Agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
15 Avenue Emile Reuter,
Luxembourg.

PUBLIC NOTICES

BUCKINGHAMSHIRE COUNTY COUNCIL issued on 1st April, 1982, £6m Bills due on 1st July, 1982. Tenders totalled £36m, and the entire issue was made at [illegible]. There are £5m other Bills outstanding.

GREATER MANCHESTER COUNTY COUNCIL

£9 million Bills issued 31.3.82 due 30.6.82 at an average rate of 13.51563%. Applications £45 million. Bills outstanding £20 million.

PLYMOUTH CITY COUNCIL BILLS

£0.8m issued 31st March 1982 at [illegible] due 30th June 1982. Total applications £7.2m. Bills outstanding £0.8m.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN THE NOMURA SECURITIES CO. LTD.

We are pleased to confirm that copies of the Annual Report for the year ended September 30, 1981 of The Nomura Securities Co. Ltd. are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

CITIBANK, N.A.
London, Depositary

2 April 1982

ADELA INVESTMENT COMPANY S.A.
$17.5m FLOATING RATE NOTES 1991

Further to the announcement published on 17th March 1982 notice is hereby given that interest on the above notes is at the annual rate of 16.0625% and not 16.025% as previously notified.

BANKAMERICA INTERNATIONAL
New York
Principal Paying Agent

CLUBS

GENERAL MINING UNION CORPORATION GROUP
ANNUAL GENERAL MEETINGS

The Annual General Meetings of the undermentioned companies (all of which are incorporated in the Republic of South Africa) will be held in Union Corporation Building, 74-78 Marshall Street, Johannesburg, on the date and times mentioned below:—

Name of Company	Date and times of meetings
West Rand Consolidated Mines Limited	Monday, 26 April 1982 at 14h30
Stilfontein Gold Mining Company Limited	Monday, 26 April 1982 at 14h45
The Grootvlei Proprietary Mines Limited	Monday, 26 April 1982 at 15h00
Marievale Consolidated Mines Limited	Monday, 26 April 1982 at 15h15
St. Helena Gold Mines Limited	Monday, 26 April 1982 at 15h30

per pro GENERAL MINING UNION CORPORATION (UK) LIMITED
London Secretaries
L. J. Baines

30 Ely Place,
London EC1N 6UA.
2 April, 1982.

JOHN FINLAN PLC

HALE ROAD, HALEBANK, WIDNES, CHESHIRE WA8 8PU

Registered in London No. 544516

PRELIMINARY STATEMENT FOR THE YEAR ENDING 31ST DECEMBER, 1981

The unaudited results of the Group for the year ended 31st December, 1981 are as follows:—

	1981 £	1980 £
Turnover	6,304,505	5,740,355
Operating Profit	619,261	507,977
Deduct building profit on property under construction and held for investment	50,923	—
Profit before taxation	568,338	507,977
Taxation credit	46,075	21,167
Profit after taxation	614,413	529,144
Dividends	187,500	120,000
Retained profit for the year	426,913	409,144
Earnings per share	20.48p	17.64p

★ Small industrial estate at Banbury complete.

★ Annual rental income expected to rise to a level of £90,000 per annum in the current year.

★ Slow start to year, momentum expected to increase.

★ Taxation charge eliminated principally due to tax allowances in respect of which no deferred tax provision is required.

★ Your Directors recommend the payment of a final dividend of 3.25p per share net on the ordinary shares of the Company to shareholders on the register at the close of business on 29th April 1982 payable on 2nd June 1982. This makes a total distribution for the year of 6.25p per share net.

John Finlan,
Chairman.

AQUIS SECURITIES PLC
PROPERTY INVESTMENT & DEVELOPMENT

Extracts from the Report and Statements of Accounts for the year ended 31st December, 1981.

(With comparative figures for the year to 31st December, 1980)

* Net profit before tax £743,203 *(1980: £570,679)*

* Profit after tax and minority interests £468,784 *(1980: £265,005)*

* Proposed final dividend of 0.9 pence per share, (to include a special bonus of 0.2 pence per share to mark the seventy-fifth Annual General Meeting of the Company), making a total of 1.2 pence per share for the year. *(1980 total: 0.9 pence)*

* Group retained profits carried forward £559,883 *(1980: £392,599)*

* Interest attributable to shareholders £10,864,784 *(1980: £11,157,440)*

The Seventy-fifth Annual General Meeting will take place at noon on Friday, 23rd April, 1982 at the Clarendon Court Hotel, Maida Vale, London W9 1AG.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

[illegible]

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar weaker

Dollar weakened against most major currencies yesterday as Eurodollar interest rates declined and forecasts pointed towards a fall in the U.S. money supply figures this week. Nervousness that money supply may show a sudden rise later this month, and the approach of the Easter holiday, reduced the level of market activity however.

Sterling remained steady, rising slightly against the dollar, but easing against currencies in general.

The Japanese yen recovered a little from Wednesday's two-year low against the dollar, but the Swiss franc weakened in the spot market as Euro-Swiss franc rates fell. The French franc lost ground once again within the European Monetary System, but the Belgian franc, weakest member of the system, improved.

DOLLAR — Trade-weighted index (Bank of England) 115.7 against 116.1 on Wednesday, and 109.3 six months ago. Three-month Treasury bills 13.18 per cent (14.53 per cent six months ago). Annual inflation 7.7 per cent (8.4 per cent previous month)—The dollar fell to DM 2.4025 from DM 2.4125 against the D-mark; to FFr 6.2525 from FFr 6.26 against the French franc; and to Y246.25 from Y248 in terms of the Japanese yen, but rose to SwFr 1.9425 from SwFr 1.9325 against the Swiss franc.

STERLING — Trade-weighted index 90.9, compared with 91.0 at noon, in the morning, and at the previous close, and 88.5 six months ago. Three-month interbank 13⅞ per cent (17 per cent six months ago). Annual inflation 11 per cent (12 per cent previous month)—Sterling traded within a narrow range of $1.7820 to $1.7880 against the dollar. It opened at $1.7835-$1.7845, and was around the $1.7850 level for most of the day, before closing at $1.7860-$1.7870, a rise of 45 points on the day. The pound fell to DM 4.2950 from DM 4.30, and to Y440 from Y442, but rose to FFr 11.1675 from FFr 11.1550, and to SwFr 3.4725 from SwFr 3.4450.

D-MARK — EMS member (strongest). Trade-weighted index 123.3 against 123.0 on Wednesday, and 119.9 six months ago. Three-month interbank 9.475 per cent (12.40 per cent six months ago). Annual inflation 5.1 per cent (5.8 per cent previous month)—The D-mark improved against most currencies at the Frankfurt fixing, and maintained its position as the strongest member of the EMS. The Bundesbank did not intervene when the dollar fell to DM 2.4078 from DM 2.4142 at the fixing, with the weakness of the U.S. currency attributed to expectations of a drop in U.S. money supply this week. Sterling fell to DM 4.2980 from DM 4.3020, and both currencies continued to ease slightly during the afternoon. The Swiss franc also declined at the fixing as did the members of the EMS apart from the Belgian franc.

EUROCURRENCY interest rates showed an easier trend yesterday, although there was little change in the rates supporting the weaker European currencies, such as the French franc, Belgian franc, and Italian lira. Eurolira rates were in fact slightly firmer, but the forward discount for the lira against the dollar was unchanged. The discount for the Belgian franc narrowed slightly, and Euro-Belgian franc rates declined a little. The French franc weakened quite sharply initially in forward trading, but recovered towards the close, while Euro-French franc rates showed little change throughout. Other rates fell as Eurodollar rates recorded a downward trend. Euro-Swiss rates continued this week's steady fall, and this was mirrored by a further widening of the Swiss franc's forward premium against the dollar.

THE POUND SPOT AND FORWARD

April 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7820-1.7880	1.7860-1.7870	0.22-0.32c dis	−1.81	0.77-0.87dis	−1.83
Canada	2.1870-2.1920	2.1900-2.1910	0.45-0.55c dis	−2.74	1.50-1.60dis	−2.83
Nethlnd.	4.75-4.79	4.76½-4.77¼	2¼-1¾c pm	5.03	6¼-5¾ pm	5.03
Belgium	80.75-81.40	80.80-80.90	20-35c dis	−4.08	65-80 dis	−3.59
Denmark	14.64-14.73	14.69-14.70	2-3⅞ore dis	−2.76	9¼-10¾ dis	−2.72
Ireland	1.2380-1.2455	1.2405-1.2415	0.65-0.77p dis	−6.86	1.92-2.13dis	−6.53
W. Ger.	4.28-4.32	4.29-4.30	1½-1¼pf pm	4.19	4½-4¼ pm	4.19
Portugal	127.50-131.00	130.35-130.75	90-140c dis	−10.57	265-325 dis	−9.04
Spain	190.70-191.40	191.05-191.25	75-100c dis	−5.49	220-280 dis	−5.34
Italy	2,358-2,384	2,359-2,361	34-38 lire dis	−18.30	76-82 dis	−13.56
Norway	10.87-10.92	10.89½-10.90½	4¾-5¾ore dis	−5.78	8¾-9¾ dis	−3.19
France	11.16-11.23	11.16¾-11.17¾	15-18c dis	−17.73	32-36 dis	−12.18
Sweden	10.56-10.60	10.57-10.58	¾-¼ore pm	0.50	1¼-¾ pm	0.28
Japan	436-444	439½-440½	2.55-2.25y pm	6.54	7.30-7.00 pm	6.50
Austria	30.05-30.30	30.10-30.15	13½-10gro pm	4.68	35-28½ pm	4.21
Switz.	3.45-3.48	3.46¾-3.47¾	2⅞-2⅜c pm	9.07	7⅞-6⅞ pm	8.21

Belgian rate is for convertible francs. Financial franc 93.75-93.85. Six-month forward dollar 1.57-1.67c dis, 12-month 2.45-2.65c dis.

THE DOLLAR SPOT AND FORWARD

April 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7820-1.7880	1.7860-1.7870	0.22-0.32c dis	−1.81	0.77-0.87dis	−1.83
Ireland†	1.4355-1.4415	1.4370-1.4400	0.65-0.55c pm	5.00	1.75-1.55 pm	4.59
Canada	1.2255-1.2275	1.2255-1.2260	0.09-0.12c dis	−1.03	0.30-0.33dis	−1.03
Nethlnd	2.6630-2.6760	2.6630-2.6680	1.62-1.52c pm	7.07	4.60-4.50 pm	6.83
Belgium	45.26-45.55	45.26-45.28	4-9c dis	−1.72	17-24 dis	−1.81
Denmark	8.2100-8.2400	8.2100-8.2200	0.40-0.60ore dis	−0.73	1.25-1.75dis	−0.73
W. Ger.	2.3980-2.4160	2.4020-2.4030	1.23-1.18pf pm	6.02	3.65-3.60 pm	6.03
Portugal	71.65-73.10	72.65-72.85	40-120c dis	−13.38	140-340dis	−13.38
Spain	106.85-107.15	107.00-107.05	30-45c dis	−4.20	80-100 dis	−3.36
Italy	1,319¾-1,324½	1,319¾-1,320¼	22-25 lire dis	−21.35	42-48 dis	−13.32
Norway	6.0950-6.1120	6.0950-6.1050	1.00-1.30ore dis	−2.26	1.00-1.30dis	−0.75
France	6.2425-6.3000	6.2500-6.2550	7½-8¾c dis	−15.86	15½-17 dis	−10.41
Sweden	5.9150-5.9325	5.9150-5.9250	1.40-1.25ore pm	2.69	3.40-3.25 pm	2.25
Japan	245.80-247.80	246.20-246.30	1.80-1.65y pm	8.41	5.20-5.05 pm	8.32
Austria	16.84¾-16.95	16.85½-16.86½	9.90-8.70gro pm	6.62	27-24 pm	6.05
Switz	1.9200-1.9430	1.9420-1.9430	1.87-1.78c pm	11.27	4.98-4.90 pm	10.17

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 1	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.9	−32.5
U.S. dollar	115.7	+7.9
Canadian dollar	88.4	−18.0
Austrian schilling	117.0	+25.4
Belgian franc	95.0	−2.1
Danish kroner	82.7	−14.2
Deutsche mark	123.3	+46.6
Swiss franc	152.5	+104.3
Guilder	114.1	+21.1
French franc	76.9	−15.0
Lira	54.1	−58.4
Yen	134.4	+28.6

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

Mar. 31	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.624735	0.558308
U.S. $	12	1.11309	0.995186
Canadian $	15.11	1.36943	1.22249
Austria Sch.	6½	18.8958	16.8709
Belgian F.	13	50.7124	45.3008
Danish Kr.	11	9.16630	8.19137
D mark	7½	2.68722	2.40088
Guilder	8	2.98030	2.66331
French Fr.	9½	6.94791	6.21543
Lira	19	1471.50	1315.39
Yen	5½	274.377	245.860
Norwgn. Kr.	9	6.81211	6.08008
Spanish Pts.	8	118.878	106.236
Swedish Kr.	10	6.62400	5.91588
Swiss Fr.	5½	2.15294	1.92588
Greek Dr'ch.	20½	—	62.5573

OTHER CURRENCIES

April 1	£	$		£ Note Rates
Argentina Peso	20,664 20,704†	11,550-11,600†	Austria	30.05-30.35
Australia Dollar	1.6975 1.6995	0.9510 0.9515	Belgium	93.40-94.40
Brazil Cruzeiro	263.69 264.69	147.47-148.21	Denmark	14.62 14.76
Finland Markka	8.265 8.277	4.6130-4.6150	France	11.16-11.26
Greek Drachma	109.609-112.961	62.65-62.85	Germany	4.27-4.31
Hong Kong Dollar	10.391-10.40	5.8200 5.8250	Italy	2320-2365
Iran Rial	147.00*	82.50*	Japan	441 446
Kuwait Dinar (KD)	0.508-0.514	0.2858 0.2864	Netherlands	4.74-4.78
Luxembourg Fr.	80.80-80.90	45.26-45.28	Norway	10.85-10.95
Malaysia Dollar	4.1685-4.1735	2.3315 2.3345	Portugal	126-133
New Zealand Dlr.	2.3265 2.3295	1.3025 1.3035	Spain	185-195
Saudi Arab. Riyal	6.07-6.13	3.4185 3.4205	Sweden	10.54-10.64
Singapore Dollar	3.7950 3.8050	2.1250 2.1275	Switzerland	3.44-3.48
Sth. African Rand	1.6795 1.6810	1.0580 1.0585	United States	1.77-1.79
U.A.E. Dirham	6.52-6.58	3.6725-3.6735	Yugoslavia	91-101

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.2462	+1.23	+1.23	±1.5440
Danish Krone	8.18382	8.19104	+0.09	+0.09	±1.6428
German D-Mark	2.41815	2.39580	−0.92	−0.92	±1.1097
French Franc	6.19564	6.24701	+0.83	+0.83	±1.3743
Dutch Guilder	2.67296	2.66028	−0.47	−0.47	±1.5069
Irish Punt	0.686799	0.692509	+0.83	+0.83	±1.6689
Italian Lira	1305.13	1316.69	+0.89	+0.89	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for April 1 0.558081

EXCHANGE CROSS RATES

April 1	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.787	4.295	440.0	11.168	3.473	4.768	2360.	2.191	80.85
U.S. Dollar	0.560	1.	2.404	246.3	6.251	1.944	2.669	1321.	1.226	45.26
Deutschemark	0.233	0.416	1.	102.4	2.600	0.808	1.110	549.5	0.510	18.83
Japanese Yen 1,000	2.273	4.060	9.761	1000.	25.38	7.893	10.84	5364.	4.978	183.8
French Franc 10	0.895	1.600	3.846	394.0	10.	3.109	4.269	2113.	1.961	72.40
Swiss Franc	0.288	0.514	1.237	126.7	3.216	1.	1.373	679.6	0.631	23.28
Dutch Guilder	0.210	0.375	0.901	92.29	2.342	0.728	1.	495.0	0.459	16.96
Italian Lira 1,000	0.424	0.757	1.820	186.4	4.732	1.471	2.020	1000.	0.928	34.26
Canadian Dollar	0.457	0.816	1.961	200.9	5.098	1.585	2.176	1077.	1.	36.91
Belgian Franc 100	1.237	2.210	5.312	544.2	13.81	4.295	5.897	2919.	2.709	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 1)

3 months U.S. Dollars		6 months U.S. dollars	
bid 15 3/16	offer 15 5/16	bid 15 5/16	offer 15 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	13-13¼	15½-15¾	15¼-16¼	8⅛-8⅜	1 1¼	9-9¼	20-28	20-28	12-13¼	6-6¼
7 days' notice	13¼-13½	15⅜-15⅞	15½-16½	8½-8¾	2¼-2½	9-9¼	24-32	40-56	13½-15	6⅛-6⅜
Month	13⅝-13¾	15¼-15⅝	16¼-16½	8⅛-8¼	3⅛-3¼	9-9⅛	30-32	35¼-36¼	17¼-18¼	6-6¼
Three months	13¾-13⅞	15¼-15⅝	16⅛-16⅝	8-8¼	4-5	9-9⅛	23-27	28¼-30	17-18	6-6¼
Six months	13¾-13⅞	15¼-15⅝	16½-16⅝	8-8¼	4-5	9-9⅛	22-24	25¼-26¼	17-17¼	6-6¼
One Year	13¾-13⅞	15-15¼	16¼-16⅝	8¼-8½	5-6	9-9⅛	19-21	24-25	16¼-16¾	6-6¼

BFr (financial): short-term 12½-13½ per cent; seven days' notice 12½-13 per cent; one month 13½-13¾ per cent; three months 14½-14¾ per cent; six months 14⅝-14⅞ per cent; one year 14⅝-14⅞ per cent.

SDR linked deposits: one month 14¼-14⅝ per cent; three months 14-14¾ per cent; six months 13¾-14¼ per cent; one year 13⅝-13¾ per cent.

ECU linked deposits: one-month 16⅞-16⅝ per cent; three months 15⅞-15¾ per cent; six months 14⅝-14⅞ per cent; one year 13⅞-14⅛ per cent.

Asian (closing rates in Singapore): one month 15¼-15⅜ per cent; three months 15¼-15⅜ per cent; six months 15⅜-15½ per cent; one year 15⅛-15¼ per cent. Long-term Eurodollar two years 16¼-16⅝ per cent; three years 16¼-16⅝ per cent; four years 15⅞-16⅛ per cent; five years 15¾-16 per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.85-14.95 per cent; three months 14.85-14.95 per cent; six months 14.85-14.95 per cent; one year 14.85-14.95.

MONEY MARKETS

Further shortage

London clearing bank base lending rate 13 per cent (since March 12)

Day to day credit was again in short supply in the London money market yesterday and the Bank of England gave an early forecast of a shortage of £300m. Factors affecting the market included bills maturing in official hands —£321m and Exchequer transactions +£26m. The Bank of England gave assistance in the morning of £317m comprising purchases of £15m of eligible bank bills in band 1 (up to 14 days) at 13½ per cent, £77m in band 2 (15-33 days) at 13 per cent and £67m in band 3 (34-63 days) at 12⅞-12¾ per cent. In band 4 (64-91 days) it bought £15m of Treasury bills and £10m of local authority bills at 12⅞ per cent and £133m of eligible bank bills at 12⅞-12⅝ per cent.

The shortage was revised in the afternoon to around £400m before taking into account the morning's help but the Bank gave no further assistance. Discount houses were paying up to 13 per cent for secured call loans at the start with later balances taken down to 5 per cent. The apparent lack of funds suggested by the gap between the forecast level and the amount of help was not reflected in the overnight interbank rate, which fell away to 1 per cent towards the close of business, having opened at 13-13¼ per cent and touching a high of 15 per cent. Longer term rates were slightly easier, reflecting a softer tendency in Euro-dollar rates.

In Frankfurt the Bundesbank left key lending rates and credit policies unchanged after yesterday's regular fortnightly meeting of the central council. This was in line with market expectations. The authorities also announced their intention to make available a further 30-day securities repurchase plan at a rate of 9 per cent. The last time liquidity was added to the market a rate of 9½ per cent was charged. Yesterday's move will offset the unwinding next Monday of an existing repurchase agreement totalling DM 6.8bn.

In Amsterdam the official Dutch call money rate was increased to 8½ per cent from 4½ per cent following payment of the 11¼ per cent state loan which drained funds from the market. Longer term rates showed very little change.

GOLD

Firmer trend

Gold rose $6 an ounce to $325½-326½ in the London bullion market yesterday. It opened at $327-328, the highest level of the day, and was fixed at $325.50 in the morning, and $327.00 in the afternoon. The metal touched a low point of $324½-325½.

In Paris the 12½ kilo gold bar was fixed at FFr 66,700 per kilo ($330.45 per ounce) in the afternoon, compared with FFr 66,700 ($330.34) in the morning, and FFr 65,400 ($326.88) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 25,300 per kilo ($326.67 per ounce), against DM 25,010 ($321.85) previously, and closed at $326½-327½, compared with $319½-320½.

In Zurich gold finished at $325-328, against $319-322.

GOLD

	Apr. 1		Mar. 31	
Gold Bullion (fine ounce)				
Close	$325½-326½	(£182-182½)	$319½-320½	(£178½-179¼)
Opening	$327-328	(£182¾-183¼)	$317¼-318¼	(£178-178½)
Morning fixing	$325.50	(£182.375)	$320.50	(£180.016)
Afternoon fixing	$327	(£183.070)	$320	(£179.473)
Gold Coins				
Krugerrand	$336-338	(£188-189)	$330½-331½	(£185¼-186)
½ Krugerrand	$173½-173¾	(£96¾-97¼)	$170½-171½	(£95¾-96)
¼ Krugerrand	$89-90	(£49½-50½)	$86½-87½	(£48½-49)
1/10 Krugerrand	$36¼-36¾	(£20¼-20¾)	$35¼-36¼	(£19¾-20¼)
Mapleleaf	$336-338	(£188-189)	$331-332	(£185¾-186¼)
New Sovereigns	$79½-80¼	(£44½-45)	$78¼-79	(£44-44½)
King Sovereigns	$97½-98½	(£54½-55)	$94-96	(£52½-53½)
Victoria Sovs.	$97½-98½	(£54½-55)	$94-95	(£52½-53)
French 20s	$79-88	(£44-49)	$78-88	(£43½-49¼)
50 pesos Mexico	$405½-406½	(£226¾-227½)	$398-401	(£223¼-225)
100 Cor. Austria	$316-318½	(£176¾-178)	$311½-314	(£174½-176¼)
$20 Eagles	$445-450	(£249-251½)	$445-450	(£249½-252)

MONEY RATES

NEW YORK

Prime rate	16½
Fed. funds (lunch-time)	15½-15⅝
Treasury bills (13-week)	13.18
Treasury bills (26-week)	13.10

GERMANY

Special Lombard	9.50
Overnight rate	9.25
One month	9.50
Three months	9.475
Six months	9.30

FRANCE

Intervention rate	17.0
Overnight rate	17.0
One month	16.5375
Three months	16.375
Six months	15.5625

JAPAN

Discount rate	5.50
Call (unconditional)	7.03125
Bill discount (three-month)	6.53125

LONDON MONEY RATES

April 1 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	1-15	12¾-13	—	—	—	13-13¾	6-13	—	—
2 days notice	—	—	13½-13¾	—	—	—	—	—	—	—
7 days or 7 days notice	—	13-13¼	13⅜-13½	—	—	13⅞	—	—	—	—
One month	13¼-13⅛	13⅝-13¾	13⅝	14¼-13⅞	13⅝	13⅞	12¾-12⅞	—	—	13⅞
Two months	13⅜-13¼	13½-13⅝	—	14-13¾	13⅝	13¼	—	13	13-12⅞	13¼
Three months	13⅛-13	13⅝-13¾	13⅝	14-13⅞	13⅜	13⅜	12⅞-12⅞	12¾-12⅞	12⅞	13½
Six months	13⅛-13¼	13⅝-13¾	13⅝	13⅝-13¼	13⅝	—	—	—	—	13⅜
Nine months	13⅜-13¼	13⅝-13⅝	—	13¾-13⅜	13⅞	—	—	—	—	—
One year	13⅜-13⅜	13¼-13⅞	13⅞	13¼-13⅜	13¾	—	—	—	—	—
Two years	—	—	14	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14¼ per cent; four years 14 per cent; five years 14¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅞ per cent; four months trade bills 13¾ per cent.

Approximate selling rates for one month Treasury bills 12⅝-13 per cent; two months 12⅞ per cent; three months 12⅝-12¾ per cent. Approximate selling rate for one month bank bills 13 per cent; two months 12⅞ per cent and three months 12⅝ per cent; one month trade bills 13¾ per cent; two months 13¾ per cent; three months 13½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from April 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 10-10½ per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.5122 per cent.

Certificates of Tax Deposit (Series 5) 13½ per cent from March 8. Deposits withdrawn for cash 11 per cent.

Overseas expansion bolsters results at Credit Lyonnais

BY DAVID WHITE IN PARIS

FOREIGN EARNINGS have offset a sharp decline in profit at Credit Lyonnais, the second largest of France's nationalised banks.

Net profit fell back slightly to FFr 469m ($7.9m) from FFr 476m the year before. Earnings from foreign branches, which soared to FFr 256m from FFr 97m, made up well over half of the total result.

Profits in France were cut to FFr 213m from FFr 379m.

M Jean Deflassieux, the bank's new chairman, described the result as "respectable, but no more."

The earnings figure was reduced notably by a sharp increase in provisions for risks on loans both to companies and to foreign countries. These were raised to FFr 1.73bn, as against FFr 1.38bn the year before.

The figures include 30 per cent of the bank's outstanding loans to Poland, which total around $140m, M Deflassieux said.

In addition, the special levy on banks imposed by the Government last year result in extra tax charges of FFr 104m, partly offsetting the fall in profit taxes paid by the bank.

Lending from the bank's French operations increased by 15.4 per cent, thanks partly to a 77.6 per cent growth in foreign currency credits falling outside the official credit ceiling rules.

Although earnings dipped last year, group operating results before depreciation and provisions continued to rise, although by a much smaller margin in France—less than 1 per cent—than abroad, where they rose by more than 55 per cent.

Sohio in $105m coal deal with Republic Steel

BY PAUL BETTS IN NEW YORK

STANDARD OIL Company of Ohio (Sohio), the large U.S. oil company 53 per cent-owned by British Petroleum, has agreed to acquire for $105m some of the coal properties of Republic Steel, the fourth largest U.S. steel producer.

The deal completes for the time being the oil company's coal acquisition programme launched last year when Sohio bought a large share of U.S. Steel's coal properties for $600m.

Sohio had originally sought to acquire an additional coal mine from U.S. Steel, but the sale was never completed because the steelmaker was unable to win approvals from a third party.

The properties Sohio has agreed to acquire from Republic Steel include the Kitt Mine in West Virginia, 118m saleable tons of low sulphur coal reserves in Pennsylvania, and certain other assets. Republic's coal management and technical organisation based in Meadowlands, Pennsylvania, will also be taken over by Sohio.

Under the terms of the agreement, Sohio will supply Republic with a total of 6.6m tons of metallurgical coal from the Kitt Mine over the next 10 years. Sohio will also operate Republic's remaining coal mines.

Sohio last night said the acquisition of low sulphur reserves from Republic Steel would balance Sohio's low and medium sulphur reserves in the northern Appalachian region.

Airline's future questioned

BY OUR NEW YORK STAFF

WESTERN AIRLINES, the ninth largest U.S. domestic carrier, has had its annual financial statement heavily qualified by its auditors, who say that certain factors indicate the company may be unable to continue in existence.

This opinion, from Peat Marwick Mitchell and Co., is based in large part on the losses sustained by the airline during the last two years, and on the necessity from an accounting standpoint to classify part of the company's long term debt as current. This is because waivers of default granted by the Western's lenders in February do not extend beyond the end of the current year.

The waivers expire on June 10, and Western is currently attempting to negotiate a repayment schedule with its lenders.

Western also revealed that accounting adjustments made in connection with its year-end audit indicated that net losses for the year totalled $73.4m, compared with the previously announced loss of $69.4m. Net losses in 1980 were $29.6m.

William Hall looks at a top U.S. bank

Aggressive stance at Chase Manhattan

"When I joined the Chase in 1947, the commercial banks represented approximately two thirds of the financial structure of the U.S. Today, they represent about a third," says Bill Butcher, Chase Manhattan's chairman.

"I am not persuaded that it is in the nation's best interest to have a weakening banking system, and clearly our banking system has become less strong ever since I have been in it."

The remarks could be attributed to the chairman of any of America's major money centre banks who regularly rail at the legal restrictions which hedge their business. But in Butcher's case he not only means what he says, but is taking active steps to ensure that Chase ranks among the strongest U.S. banks.

First as president and then as chairman (he succeeded David Rockefeller a year ago), he has helped repair Chase's profitability and restore its self-esteem in the U.S. banking community. Return on average assets has risen from its 1976 low point of 0.24 per cent to 0.59 per cent last year, while return on average stockholders' equity has climbed from 6.41 per cent to 17.20 per cent over the same period.

"By any measure, objective or subjective, not only is our performance and numbers better, but they are dramatically better," says Mr Butcher.

However, apart from improving Chase's financial performance, Butcher is rapidly emerging as one of the most active proponents of the need to dismantle the barriers surrounding U.S. commercial banks. He has adopted a much more aggressive stance than his predecessor, pushing Chase into new areas and often seizing the initiative at the expense of arch-rivals, Citicorp.

One of his first priorities on assuming the chairmanship last year, was to establish a National Positioning Group within the bank, headed by Mr Bob Douglas, the group's general counsel, and Mr Bill Hinchman, the former head of domestic institutional banking.

"The changes in U.S. financial law were such that we wanted to think out our own concepts and strategies and have a centralised place where those strategies could be implemented," says Mr Butcher.

The efforts of this group are beginning to bear fruit. In January Chase agreed to invest $125m in Equimark Corporation of Pittsburgh and has the option to acquire the Pennsylvania bank when and if the U.S. banking laws are changed.

Earlier this week, Chase announced its intention to set up Chase Manhattan Capital Markets (Holdings). Capitalised at $175m, it will be one of the largest merchant investment banks in the world, says Mr Butcher and in terms of capital will rank on a par with Bache Halsey Stuart Shields, one of America's top ten brokerage houses.

Chase is injecting its international merchant banking operations into the new subsidiary, along with its New York-based Government and municipal securities dealing operations. In addition, it is going to be a "vessel into which additional activities can be put" when the laws are changed, and commercial banks are allowed to compete head on with the U.S. investment banks.

"We are a commercial bank that would like to be in the investment banking business," says Mr Butcher, who has difficulty understanding how it is legal for an investment bank to accept deposits, pay interest and offer chequeing facilities. "I always thought that was a commercial function," he says.

By the same token the money market funds, which have made such a dent in the banks' deposit base, are no more than "fair interest savings accounts" and, in Mr Butcher's view, clearly the function of a commercial bank.

"If we are going to see a financial services industry that permits each participant to do anything, then we have to be able to compete on an equal basis," says Mr Butcher, who envisages Chase offering a family of financial services which will include money market funds and underwriting revenue bonds and corporate debt—currently "no-go" areas for the commercial banks.

"I would not stop there because you are beginning to see other shapes taking place," adds Mr Butcher.

With several of America's bigger investment banks either owned by, or linked with insurance companies, Mr Butcher is giving considerable thought as to how Chase might fit into this area.

"The problem is when you begin to look at this and say does the Chase want to be in the insurance business—it may not be a question of choice. It may be that if everyone else is in it, we have no choice but to be in it, if you are going to be part of that competitive swim."

The insurance industry is one of the areas where Chase's National Positioning Group still has to make tactical decisions as it prepares for the imminent era of nationwide banking.

Mr Butcher believes that the changes in commercial banks' powers enabling them to compete on a more equal footing with their rapidly growing non-bank rivals, will occur sooner rather than later because the "present set up is ludicrous."

However, he is worried that any liberalisation of the banking rules will be negated by anti-trust problems. "We can change the powers of commercial banks and allow them to branch inter-state, but if the largest bank we can marry in the state of California is a $10m institution, we have not got inter-state banking in any effective form," says Mr Butcher.

He does not think that the changes in the law will lead to large-scale acquisition of smaller banks by bigger banks. "That means paying huge sums of money in excess of book value and I do not think the banking system has that kind of capital to permit that."

"I see marriages between consenting adults where two banks say we will be better off together that apart and let us pool our interests and resources," says Mr Butcher.

Mr Butcher on banking functions

Chase's international operations earned $247m last year, equivalent to 56 per cent of the total and in absolute terms three times as much as 1976. Mr Butcher believes that for the next few years, Chase's international business will continue to grow more rapidly than its domestic operations, but once the banking laws are altered this could change.

Notwithstanding the problems of Poland and the political worries in the Middle East and Latin America, Mr Butcher is more optimistic than some about international banking and does not subscribe to the school of bankers who think the time has come for banks to draw in their horns and retreat to their domestic markets.

"My own view as I look at banks, is that they are considerably stronger than they were 10 years ago and that therefore the problems they face are not as menacing as they would have been if banks were in the same condition they were in then."

He stresses that the quality of banks' assets is better and there is less concentration than a decade ago. "We have, for example, not concentrated to the same degree on the real estate business. I would like to believe that we do not carry on our business in the way we did in those days," Mr Butcher concludes.

Newsprint output cut as orders fall off sharply

BY ROBERT GIBBENS IN MONTREAL

TWO MAJOR western Canada newsprint producers are cutting output because of a sharp fall-off in orders, mainly from the U.S. MacMillan Bloedel, controlled by Brascan of Toronto through Noranda Mines, expects the equivalent of six weeks shut-down at its newsprint mills this year. It attributes the weakness in the newsprint market to the economic recession and to the introduction of substantial new capacity

Markets for pulp and containerboard are also weak, and more shutdowns are also possible at the group's mills in this sector.

Lumber markets are "extremely weak," and little improvement is expected this year.

Shareholders of MacMillan were also told at the annual meeting that the slump in the North American housing market—accounting for almost half the group's activities last year: an operating loss of C$26.7m was reported—may be "more serious than just a cyclical downturn."

Crown Zellerbach Canada will shut down one of the three machines at its Elk Falls, British Columbia, newsprint mill for two days a week from April 4, cutting its newsprint production overall by about 10 per cent.

Though the average operating rate for all Canadian newsprint mills held at an average of well over 90 per cent in the first two months of the year, about 25 per cent of the production went into stocks in advance of price increases expected in March and fears of a strike this spring in the Eastern Canada pulp and paper industry. The Western Canada mills signed new two-year contracts last summer.

However, demand fell sharply in March, with publishers' stocks officially put at 55 days supply against the normal 40 to 45 days.

Fears of a confrontation after old contracts in the east run out on April 30 are growing.

Trading in Eurodollar bonds quickens

By Alan Friedman

PRICES of fixed-interest Eurobonds in the dollar, Euro D-mark and Swiss franc sectors increased by ¼ point on average yesterday as trading volume picked up sharply.

The most marked upturn came in the Eurodollar market, where dealers reported an increase in the flow of "new money" into the market. This flow of funds from investors is related partly to the fact that yesterday was the start of the financial year for many. In addition, a number of bonds are redeemed on April 1 and this provides new cash for investment.

Six-month Eurocurrency deposit rates closed slightly lower, the dollar rate was off ⅛ point at 15⅝ per cent, and the D-mark rate fell $\frac{1}{16}$ per cent to close at 9$\frac{1}{16}$ per cent. The six-month Swiss franc deposit rate has fallen a full point since Monday to 5$\frac{7}{16}$ per cent.

Kidder Peabody's $60m 15¼ per cent issue for South Carolina Electric and Gas appeared to pick up some momentum yesterday after a rather sluggish start earlier this week. After trading at around a 1¾ per cent discount in the pre-market on Wednesday, it was quoted closer to a 1½ per cent discount yesterday.

A DM 100m Euro D-mark issue is expected today for Eurofima, the European railway rolling stock finance group. Deutsche Bank is expected to be lead-manager.

In the Swiss franc foreign bond market Crown Zellerbach's SwFr 100m issue started trading yesterday at 102¾. The Australia 6¾ per cent paper traded at 104 and Philip Morris stood at 103¼.

Saleninvest advances but misses forecast

By Westerly Christner in Stockholm

SALENINVEST, the Swedish shipping group, showed a further recovery in pre-tax earnings last year to SKr 226m ($38m) compared with the SKr 190m achieved in 1980 and the SKr 7m in 1979. However, despite the profit improvement, the outcome was almost SKr 50m below earlier forecasts for the year.

Profits last year included income of SKr 162m from the sale of ships and a drilling rig. In 1980 the sale of ships returned a profit of SKr 129m. Overall revenues for the year grew by more than SKr 1bn to SKr 4.6bn ($773m).

The board has proposed lifting the dividend by SKr 2.50 a share to SKr 7.50 for a total payout of SKr 22.5m. The adjusted profit per share last year was SKr 37, up from SKr 31.

For this year the company forecasts significantly lower earnings mainly because of a severe downturn in the tanker market. The company expects other business sectors to return satisfactory profits.

The 1981 earnings figure included exchange losses of SKr 50m compared with a SKr 9m deficit in 1980. Most group income is generated in dollars and the market values for ships and drilling rigs are also struck in the U.S. currency.

Forward trading of dollars lessened the impact on company earnings of the appreciation of the dollar, Saleninvest said.

Argentine utility seeks $250m

BY OUR EUROMARKETS STAFF

GAS DEL ESTADO, Argentina's state-owned gas company, is inviting a number of banks in the Euromarket to bid on a $250m Eurocredit. The maturity would most likely be eight years and the terms could be equal to or slightly above those of the recent $200m eight-year credit for SEGBA, the Argentinian electric utility.

The SEGBA credit carried a spread of 1⅛ per cent above the London interbank offered rate (Libor) for the first four years and 1¼ per cent thereafter. There was also an alternative prime tranche.

● From Orion Royal Bank came news yesterday that the $100m eight-year Eurocredit for Chile's Banco del Estado de Chile has been increased to $130m on the back of a good reception. The 10-bank management group's terms on the credit are split spreads of ⅞-1 per cent over Libor and ¾ per cent over prime on two tranches.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday April 15.

Closing prices on April 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16½ 88	100	102¼	102⅞	+0⅛	−1	15.76
APS Fin. Co. 17¾ 86 ...	60	104¾	105¼	+0⅛	−0¾	15.57
APS Fin. Co. 16¾ 89 ...	75	102⅝	103⅛	+0⅛	−0⅞	15.50
Armco O/S Fin. 15⅝ 86	50	98⅞	99⅜	+0⅛	−1½	15.57
ATT 14¾ 89	400	[illegible]	100	+0⅛	+0¼	14.30
Baker Int. Fin. 0.0 92...	225	24¾	25¼	+0⅛	0	15.94
Bank Montreal 16¾ 91	150	102¼	102¾	−0⅛	−1⅛	15.68
Br. Colum Hyd. 16¾ 88	100	102½	103	+0⅛	−0⅝	15.48
Br. Colum. Mfa. 17 97	54	102¼	102⅞	+0⅛	−0¾	16.47
Burroughs Int. 15¾ 88...	50	100⅜	100⅞	+0⅜	−0½	15.57
Canadair 15½ 87	150	99⅞	100⅜	+0¼	−0½	15.45
Can. Nat. Rail. 14¾ 91	100	96⅞	97⅜	+0¼	−0½	15.16
Carolina Power 16½ 89	60	103	103½	+0⅛	0	15.66
Caterpillar Fin. 16½ 86	100	101¾	102¼	+0⅛	−1⅛	15.76
CFMP 16¾ 96	100	101⅛	101⅝	+0⅛	−0½	16.44
CIBC 16 87	100	101½	102	+0⅛	−1	15.45
Citicorp O/S 16¾ 88...	150	103	103½	+0⅛	−0⅞	15.60
Citicorp O/S 15½ 97...	125	99½	100	+0⅛	+0⅛	15.53
Cons.-Bathurst 17½ 88	60	101⅛	101⅞	+0⅛	−1	16.99
Con. Illinois 15¾ 89 ...	100	101⅛	101⅝	+0⅛	−1⅛	15.39
Dupont O/S 14½ 88 ...	400	98¾	99⅛	−0⅛	−1	14.89
Dupont O/S Cap. 0.0 90	300	33¾	34¼	+0⅛	−0⅛	14.75
EIB 16¾ 91	100	103⅝	104⅛	+0⅛	−1⅛	15.87
EIB 15½ 89	150	99	99½	+0⅛	0	15.67
Gen. Elec. Credit 0.0 92	400	26¼	26¾	+0⅛	−0⅛	14.89
Gen. Elec. Credit 0.0 93	400	23½	23⅞	+0½	−0⅛	15.59
GMAC O/S Fin. 16½ 84	300	100½	101	+0⅛	−0½	15.97
GMAC O/S Fin. 16 88	150	101	101½	+0⅛	−0⅛	15.62
Gulf Oil Fin. 0.0 92 ...	300	25½	26	+0⅛	−0⅜	15.32
Gulf States O/S 17½ 88	60	103½	103⅞	+0⅛	−1	16.53
Japan Airlines 15¼ 88	50	100⅜	101⅛	+0⅛	−0⅛	14.98
Japan Dev. Bk. 15½ 87	50	101⅞	102⅛	+0½	+0⅛	14.86
Nat. Bk. Canada 16½ 88	40	99⅜	99⅞	−0⅛	−1⅛	17.27
Nat. West 14¾ 91	100	98⅝	99⅛	+0⅛	−0⅛	14.93
New Brunswick 16¾ 89	75	101½	102	0	−1⅛	15.79
New & Lab. Hy. 17¼ 89	75	104½	105	+0⅜	−0⅛	16.06
Ohio Edison Fin. 17½ 88	75	104½	105	+0⅛	−0½	16.19
OKG 15¾ 97	50	98¼	98¾	+0½	−0½	15.97
Ontario Hyd. 16 91 (N)	200	103¼	103⅝	+0⅛	−0¾	15.26
Pac. Gas & El. 15¾ 89	80	101⅞	102⅛	+0⅛	−1½	15.18
J. C. Penney Gl. 0.0 94	350	19½	20	−0⅛	+0⅛	14.79
Quebec Hydro 17¼ 19	150	106½	107	+0⅛	−1	15.77
Quebec Prov. 15¾ 89...	150	98⅜	98⅞	+0⅛	−0½	15.52
R.J. Rynlds. O/S 0.0 92	400	24⅜	24⅞	+0⅛	−0½	16.14
Saskatchewan 16¾ 88.	100	102⅜	102⅞	+0⅛	−0⅞	15.52
Saskatchewan 16 89	125	101½	102	+0⅛	−0⅝	15.66
Statsforetag 15¾ 87 ...	50	99⅛	99⅝	+0½	−0½	15.89
Sweden 14½ 88	150	94⅞	95⅜	+0⅛	−0⅛	15.67
Swed. Ex. Cred. 16½ 93	75	101	101½	+0⅛	−0½	16.20
Swed. Ex. Cred. 15¼ 89	100	98⅝	99⅛	+0⅛	0	15.51
Texas Eastern 15⅞ 88...	75	101½	102	+0⅛	+0⅛	15.38
Transcanada 16 89	100	100⅛	100⅝	+0⅛	−0⅛	15.85
WMC Fin. 15½ 88	50	97⅞	98⅜	+0⅛	−0⅛	15.95
World Bank 16½ 86 ...	130	103¼	103¾	+0½	−0½	15.27
World Bank 16½ 88 ...	100	103⅛	103⅝	+0⅛	−0⅜	15.53
World Bank 15¼ 88 ...	250	99¼	99¾	+0½	−0⅝	15.36

Average price changes... On day +0⅛ on week −0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 9¼ 91	300	102½	103	+0¼	+0¾	8.93
Australia 9⅜ 91	200	102½	103	+0¼	+0⅜	8.91
Belgelectric 11 91	100	103¾	104½	+0⅜	+0⅜	10.28
Comp. Tel. Esp. 10½ 92	100	98¼	99	−0⅛	−0¼	10.68
Denmark 10 88	100	101	101¼	+0⅛	+0¼	9.73
Denmark 10½ 92	100	101⅛	101⅜	+0½	+0½	9.92
EEC 10¼ 93	100	102¾	103½	+0⅛	+0⅛	9.65
EEC 9¾ 94	200	101⅜	101⅞	−0⅛	+0⅛	9.51
EIB 9¾ 88	60	100⅛	100⅞	+0⅛	+0⅛	9.60
Inter-American 10¼ 91	100	104¼	106	0	−0⅛	9.48
Ireland 10½ 86	100	100⅛	101⅛	+0⅛	0	9.89
Mexico 11 88	100	100½	101	+0⅛	−0¼	10.81
Mt. Bk. Dnmk. 10½ 91	100	101⅛	102⅛	+0⅛	0	10.18
Nacnl. Financiera 11 90	150	99¼	99⅞	+0⅜	+0⅛	11.07
Nat. West. 9⅞ 92	100	103⅞	104⅝	+0⅛	+1	9.18
New Zealand 9¾ 89 ...	200	102⅞	103⅜	0	0	9.12
OKB 10¼ 91	150	102½	103¼	−0⅛	+0½	9.63
OKB 9¾ 86	150	101⅝	102⅛	+0⅛	+1⅛	9.32
Quebec 10¼ 92	150	102⅝	103⅛	+0⅛	−0¼	9.63
Quebec Hydro 10¼ 91...	150	103⅞	104⅝	+0⅛	+1⅛	9.54
Tauernautobahn 9⅞ 94	50	101⅛	101⅞	+0⅛	+0⅜	9.66
Venezuela 11½ 91	100	100½	101	0	−0⅛	11.34
World Bank 10 91	250	103⅛	103⅞	+0⅛	+0⅛	9.42

Average price changes... On day +0⅜ on week +0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7½ 92	50	102½	102¾	+0⅛	+0⅜	7.11
Asian Dev. Bank 8 90	80	†102	102½	−1⅞	−1⅜	7.62
Australia 6¾ 93	100	103½	103¾	0	+0⅜	6.30
Belgelectric 7½ 91	80	102	102¼	+0⅛	+2	7.18
Bell Canada 7¼ 93	100	106	106¼	0	+0⅞	6.48
Bet. de Autopistas 8 90	50	100⅞	101⅛	+0⅛	+0⅞	7.83
Co-op. Denmark 8¾ 92	25	103	103¼	+0⅛	+0⅛	7.91
Denmark 7¼ 91	100	100¼	100½	+0¼	+0¼	7.19
EIB 7¼ 92	100	†101½	101½	+0⅛	+0⅛	7.05
Elet. de France 7 92 ...	100	101⅛	101⅜	+0⅜	+0⅛	6.81
ENEL 8 92	44	100½	100⅝	−0⅛	0	7.90
First City Fin. 8¼ 92 ..	25	102	102¼	0	0	7.93
Japan Air Lines 7¼ 91	100	104½	105	+0⅛	+0⅛	6.66
Manitoba 7 92	100	105¼	105½	+0⅛	+1½	6.25
National Pwr Co. 8 92	30	102⅛	102⅜	−0⅛	+0⅛	7.66
Nippon T. and T. 6⅝ 92	100	102⅞	103	+0⅛	+0⅛	6.22
OKB 7¾ 92	100	103⅞	103⅜	−0⅜	+0⅞	7.28
Ost. Donaukraft 7 92	100	101⅛	101⅜	+0⅛	+0⅛	6.82
Ost. Postspar 7½ 92	100	101⅞	101½	+0⅛	0	7.30
Quebec 7¼ 92	100	104¼	104½	+0½	+0⅛	6.76
Saint-Etienne 8½ 91	20	†106	106½	0	−1	7.55
Soc. Lux de Cnt. 8¼ 92	80	104¼	104½	+0⅛	0	7.36
TNT O/S Fin 8 91	50	105¼	105½	+0½	+0½	7.20
Transcanada Pipe. 7 94	100	103¾	104	+0⅛	+1⅛	6.52
Unilever NV 7½ 93 ...	100	107	107¼	−0½	−0¼	6.60
World Bank 8 91	100	105⅞	106⅛	0	+0⅜	7.10

Average price changes... On day +0⅛ on week +0½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¾ 91..	15	100	101	0	−1⅛	8.17
Finland, Rep. of 8⅛ 87	15	100	101	0	+0⅛	8.24
Int.-Amer Dev. 8⅞ 91	15	102	103	−0⅛	+0⅛	8.47
Japan Airlines 7⅞ 87 ..	9	97⅜	97⅞	−0⅛	−0⅛	8.48
New Zealand 8¼ 87	15	100⅝	101⅝	+0⅜	+0½	8.09

Average price changes On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Con. Utilities 17 96 C$	50	†97⅞	98⅛	0	−0¼	17.31
CIBC 15¾ 89 C$	75	†96⅞	97⅜	+0⅛	0	16.41
Pancanadian 16½ 88 C$	85	†98	98½	−0½	−0⅞	16.89
Quebec 17½ 87 C$	50	†103½	104½	0	+1	16.27
Queb. Urban 16¾ 86 C$	20	†100	101	0	−0⅞	16.50
Tordom Cpn. 16½ 88 C$	25	†97½	98¼	−1	0	17.04
Transalta 17 89 C$	50	†99¼	99¾	−0½	−0⅛	17.08
U. Bk. Nwy. 9½ 90 EUA	18	90¼	92	−1¼	−1¼	11.19
Algemene Bk. 10¼ 86 Fl	60	100¾	101¼	−0⅛	+0½	9.92
Amfas Group 12¼ 86 Fl	40	104	104½	+0⅛	−0⅛	10.98
Amro Bank 12 86 Fl ...	75	106	106½	+0⅛	+0⅛	10.09
Amro Bank 12 86 Fl ...	60	104⅞	105⅜	+0⅛	−0¼	10.49
Pierson 10¼ 86 Fl	50	100½	100⅞	+0½	+0⅛	10.12
Rabobank 12 86 Fl	50	105¼	105¾	+0⅛	+0⅝	10.38
OKB 14 86 FFr	400	91	92	−0½	+1⅛	17.38
Solvay et C. 14¾ 86 FFr	200	91½	92¼	0	+0⅛	17.21
Acona 14 85 £	20	94¼	95¼	0	−0⅜	15.96
Beneficial 14½ 90 £	20	87⅝	88⅝	0	+0⅛	16.86
BNP 13½ 91 £	15	90⅜	91⅜	+0½	−0⅛	15.37
CECA 13½ 88 £	20	94	95	−0⅛	−0⅛	14.81
Citicorp O/S 13½ 90 £	50	95½	96½	+0½	−0⅛	14.36
Fin. Ex. Cred. 13½ 86 £	15	94⅞	95⅞	+0½	−0⅛	15.28
Gen. Elec. Co. 12¼ 89 £	50	93⅛	94⅛	0	+0⅛	13.92
Hiram Walker 14¼ 86 £	25	96½	97¼	0	+0⅞	15.29
Privatbanken 14½ 88 £	12	91½	92¼	+0½	−0⅛	16.52
Reed (Nd) NV 16¾ 89 £	25	100½	101½	0	−0⅛	16.47
J. Rothschild 14½ 90 £	12	97⅛	98⅛	0	−0⅛	14.58
Royal Trustco 14 88 £	12	96½	97½	0	−0⅛	15.09
Swed. Ex. Cr 13½ 86 £	20	96	97	0	−0⅛	14.97
Eurofima 10½ 87 LuxFr	500	99½	100⅛	−0½	+2⅛	10.50
EIB 9¾ 88 LuxFr	600	96½	97½	−0⅛	+3⅛	10.54

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 91	0½	99	99½	29/4	17.06	17.19
Bk of Tokyo 5¼ 91 (D)	0½	98¾	98⅞	10/6	13⅛	13.43
Bk Nova Scotia 5¼ 93	0⅛	99¼	99¾	29/4	17.06	17.17
BFCE 5¼ 88	0¼	99¼	99⅝	26/4	16.94	17.00
BFCE 5¼ 87	0¼	99½	99⅞	27/7	16⅛	16.31
CCCE 5¼ 2002	0¼	98	98½	11/6	14.82	15.08
Co-Ban Eurofin 5¼ 91	0¼	98¾	98⅞	14/4	16.69	16.92
Credit Agricole 5¼ 97	0¼	98¾	99¼	24/9	15.44	15.59
Credit Nat 5¼ 94	†0¼	98½	99	9/8	14.69	14.87
Denmark, Kndm. of 92	0¼	98¾	99¼	25/8	15.44	15.58
Den Norske Cred 5¼ 93	0½	97¼	98¼	4/6	13.56	13.88
Genfinance 5¼ 92	0¼	99½	100	30/6	15⅛	15.54
G78 5¼ 92	†0¼	98¾	99¼	3/6	14.94	15.09
Ind. Bank Japan 5¼ 88	0¼	98½	99¼	9/5	13.31	13.45
Lloyds Eurofin 5¼ 93	§0¼	99	99½	29/4	17.19	17.28
LTCB Japan 5½ 89	0¼	99¼	99¾	16/7	15.31	15.41
Midland Int. Fin 9 91	0¼	99½	99¾	30/4	17.06	17.15
Nat. West. Fin. 5¼ 91	§0¼	99½	99¾	15/7	15.19	15.28
Nippon Credit 5¼ 90	0¼	99½	99¾	10/8	16.06	16.16
Nordic Int Fin 5¼ 91	0¼	98¾	98⅞	6/5	15⅜	15.84
Offshore Mining 5¼ 91	0¼	99¼	99⅝	2/6	13	13.13
Pemex 6 91	0⅝	95⅞	96¼	8/4	17	17.73
PKbanken 5 91	0¼	98½	99¼	17/6	14½	14.62
Sanwa Int. Fin. 5¼ 88	0¼	†98½	99	24/9	15.31	15.51
Scotland Int. 5¼ 92	0¼	98½	98⅞	23/9	15⅛	15.59
Sec. Pacific 5¼ 91	0⅛	98¾	99¼	24/5	13⅛	13.38
Societe Generale 5¼ 91	0½	†99	99¼	22/7	15⅛	15.38
Societe Generale 5¼ 95	0¼	99	99½	1/9	15.37	15.43
Standard Chart. 5¼ 91	0¼	98¼	98⅞	18/5	13.31	13.50
Sumitomo Fin. 5½ 88	0¼	98¾	99¼	9/8	16	16.08
Sweden 5¼ 89	0¼	98¾	99¼	28/9	15.31	15.47
Toronto Domin'n 5¼ 92	0¼	98¾	99⅛	11/8	16⅛	16.44

Average price changes... On day −0⅛ on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	833	88¾	90¼	+0⅛	1.08
Bow Valley Inv. 8 95	4/81	23.12	97¼	99	−0⅛	67.08
Bridgestone Tire 5½ 96	3/82	470	85¼	86¾	+0⅛	−1.45
Canon 6¾ 95	1/81	829	79½	81¼	+0⅛	11.33
Daiwa Secs 5¼ 96	12/81	513.3	†61	63	0	−4.86
Fujitsu Fanuc 4¼ 96	10/81	5641	87	88½	+2¼	18.46
Furukawa Elec. 5¼ 96	7/81	300	87	88	+8¼	−3.76
Hanson O/S Fin. 9½ 96	8/81	1.36	†92	93	+4	−3.01
Hitachi Cable 5¾ 96	2/82	515	84	85½	−0¼	1.84
Hitachi Cred. Con 5 96	7/81	1612	73½	75¼	+1⅛	5.30
Honda Motor 5½ 91	3/82	841	72½	74	+0⅛	7.73
Inchcape 8 95	2/81	4.55	†63½	65	0	24.65
Kawasaki 5¾ 96	9/81	229	69½	71	+2½	8.69
Marui 6 96	7/81	848.4	89	90½	+1¼	4.83
Minolta Camera 5 96	10/81	826.4	59½	61	+1⅝	29.18
Minorco 9¾ 97	5/8[illegible]	8.16	†86	87½	0	11.43
Murata 5¼ 96	7/81	2168	56½	58	+8⅝	23.46
NKK 6½ 96	7/81	188	79⅜	80⅞	+1⅞	−16.28
Nippon Chemi-C 5 91	10/81	919	58	60	+0⅞	10.00
Nippon Electric 5¼ 91	2/82	846	84	85½	+3½	−13.73
Orient Finance 5¼ 97	3/82	1205	86¼	87⅞	+3½	10.36
Sanyo Electric 5 96	10/81	852	88¼	89¼	+1½	20.36
Sumitomo Elec. 5¼ 97	3/82	577.3	79½	81½	+1½	5.09
Sumitomo Met. 5¼ 96	10/81	296.1	85⅞	87¼	+1½	28.89
Swiss Bk. Cpn. 6¾ 90	9/80	191	70	72	0	13.46
Konishiroku 6 90 DM	2/82	585	87½	98¼	+0⅛	7.90
Mitsubishi H 6 89 DM	2/82	263	94	96	+1¼	15.98

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL COMPANIES and FINANCE

Agip back in surplus after loss at midway

By James Buxton in Rome

AGIP, the Italian state-owned oil company which is the most important component of the ENI group, made a small profit in 1981 in difficult conditions which nevertheless saw a 32 per cent rise in turnover.

Net profit was down from L122bn in 1980 to L5bn ($3.8m) after setting aside L482bn for depreciation. Turnover was L14,500bn against L11,000bn in 1980.

As well as having its own oil production facilities overseas (and, to a modest extent, in Italy) Agip has the duty of making up crude oil supplies to Italy when deliveries by the other oil companies fall short.

Last year was especially difficult partly because two of Agip's major sources of its own production, Libya and Nigeria, were charging prices well above spot market rates. At the same time the unprofitable nature of the Italian products market made the major foreign oil companies cut their shipments. Also, until August, Agip was denied access to less expensive Saudi crude on a state-to-state basis.

In the first part of the year the company made a loss of some L125bn. It managed to correct the position in the second half of the year by cutting liftings from some of its own direct sources of supply and by finally making an agreement with the Saudi Arabian concern, Petromin, through the agency of another oil company.

Last year it handled a total of 45m tonnes of crude, about 10m tonnes from its own production. Of this, about 40m tonnes came to Italy, meeting 53 per cent of the country's needs against 42 per cent in 1980.

Nevertheless the company warns that the present oil market, with official prices well above spot market levels, could pose serious problems for the company.

During the year Agip nearly doubled its capital investments to L1,833bn, of which about two-thirds was spent on exploration and development abroad.

Degussa may be forced to cut this year's dividend

BY KEVIN DONE IN FRANKFURT

DEGUSSA, the West German precious metals chemicals group, is facing a probable dividend cut this year following a sharp fall in profits in the first five months.

Group sales have fallen by 24 per cent in the five months to the end of February chiefly as a result of plummeting precious metal prices.

The group's profitability has slipped as a result of weak demand in both domestic and foreign markets and because fierce competition is ruling out major product price increases.

According to Herr Gert Becker, Degussa chief executive, returns on the group's chemicals operations were "absolutely unsatisfactory" in the five months and plants have been operating on average at only 70 per cent of capacity.

Degussa does not expect an improvement in its chemicals business until there is a general up-turn in the domestic and international economy. The turover of its pharmaceuticals business grew by 10 per cent in the five months, but its profitability is still being hit by heavy spending on research and development.

Capital investment of DM 230-250m this year is likely to be close to the high level of 1980-81 with some DM 160-180m being spent on Degussa's domestic operations. Worsening group profitability had not yet meant any cuts in the capital expenditure programme, but Herr Becker did not rule out such cuts i ncoming months.

Group sales last year improved by 15.6 per cent to DM 10.6bn ($4.14bn). Degussa paid an unchanged dividend of DM 9 per share, despite a fall in 1980-81 after tax profits to DM 64m from DM 68m.

Semperit deeper into the red

By Paul Lendvai in Vienna

SEMPERIT, the leading Austrian rubber company, suffered a record loss of Sch 487m ($28.7m) last year after Sch 145m in 1980. Announcing this at the annual meeting, Dr Franz Leibenfrost, chairman, disclosed that the accumulated loss of Sch 1.5bn could only be covered out of the company's capital which had been written down from Sch 1.7bn to Sch 855m.

However Creditanstalt Bankverein, the nationalised bank, which controls Semperit, will provide compensation in the form of a cash injection of Sch 285m.

The reasons for the heavy loss after earlier hopes for a turnaround were mainly linked with the collapse of the market for lorry tyres and also setbacks in technical rubber articles in the car, machinery and building industries, Dr Leibenfrost stressed.

However, he was confident that a radical cost cutting programme and the drive to develop new products would "substantially improve" the situation this year.

Semperit reported a 3.3 per cent rise in sales to Sch9.3bn last year.

Between now and 1985 the company hopes to improve its competitiveness and develop modern product lines. Through the disposal of unprofitable subsidiaries, the reduction of unit costs, and the gradual pruning of the labour force, which last year fell by 1,040 to 10,747, Dr. Leibenfrost hopes eventually to achieve a return to profits.

Foreign expansion at Bouygues

BY DAVID HOUSEGO IN PARIS

BOUYGUES, the French construction group, expects a rapid expansion of its overseas activities this year to offset a slowdown of business in France.

The company foresees turnover generated from construction work abroad doubling from FFr 2.6bn in 1981 to FFr 5.2bn ($0.83m) this year. In contrast it sees the slack in new construction orders in France contributing to the first decline in real domestic sales revenue the company has known in its history.

Government concern at the complaints of the building industry, which is suffering from the phasing down of major construction programmes such as motorways and high speed trains, led M Pierre Mauroy, the Prime Minister recently to announce an accelerated housing programme and new credit facilities for the industry. Bouygues warns of the possibility of lay-offs in France.

It expects international sales to generate 37 per cent of turnover from total construction activities this year yielding FFr 14bn—an increase of 33 per cent on 1981. Bouygues has expanded rapidly in Saudi Arabia, Iraq, the Ivory Coast, and Nigeria.

In addition Bouygues is looking for a further FFr 5bn boost in turnover from Groupe Drouot, France's seventh largest insurance company, which it has recently taken over as part of a major diversification drive. This brings Bouygues anticipated group turnover for 1982 to FFr 19bn. Drouot had a consolidated turnover last year of FFr 4.7bn.

Bouygues reported a 44 per cent increase for last year in net consolidated profits which rose to about FFr 218m from FFr 151.2m in 1980. Turnover rose by 38 per cent to FFr 10.5bn from FFr 7.6bn in 1980. Overseas sales generated 26 per cent of turnover last year.

Earnings up at Bayerische Hypo

BY STEWART FLEMING IN FRANKFURT

A SIGNIFICANT improvement in the profitability of its lending, particularly to corporate and private customers has helped Bayerische Hypotheken und Wecthsel Bank to increase its parent company net profits by 27.5 per cent to DM 81.8m ($33.9m) in 1981. Group net profits rose by 17.3 per cent from DM 92.9m to DM 109m.

The improvement gathered pace towards the end of last year and has continued into the current year, according to Dr Wilhelm Arendts, the chief executive. As a result the dividend is to be raised to DM 7.50 a share from the DM 7 to which it was cut last year after a sharp plunge in profits in 1980. The dividend for 1979 was DM 9 a share.

The dividend has not been restored to its earlier level because of increased provisions against loan losses and write-offs and a doubling to DM 10m of the funds allocated to equity reserves.

As with many other banks in Germany, Hypo Bank appears to be taking the view that a cautious dividend policy is called for in light of the pressures to generate additional equity capital without recourse to shareholders.

The improvement in profits last year largely reflected better lending margins rather than increased volume, and was helped by falling interest rates in Germany. At the parent company level, lending volume was up only 2.7 per cent to DM 22.8bn in the commercial banking division, while the increase in the mortgage banking operations was 7.4 per cent to DM 22.3bn. Lending margins in mortgage banking, however, will not have improved so much as in the commercial banking business.

The assets of the German parent bank increased by 4.8 per cent to DM 60bn, while group assets rose by 6.4 per cent to DM 89.2bn.

Italian steel group breaks even

By Our Rome Correspondent

FALCK, Italy's largest private steel company, broke even last year after making modest profits of L2.6bn ($1.97m) in 1980. Sales were up only 5 per cent to L534bn, while production of steel was marginally down on the 1980 figure at 1.04m tonnes.

The result was reached after more than doubled financial charges in 1981 of L45bn, against L24bn in 1980, and a near-doubling of provisions for redundancies, which rose from L10bn in 1980 to L18.5bn last year.

The results for the company, which is still controlled by the Falck family, reflect the difficult conditions for the Italian steel industry last year, including weak demand and high energy costs.

Nevertheless the result is in stark contrast to those of the Finsider holding company in the state sector, which increased from L1,267bn in 1980 to L2,073bn.

Dutch insurers plan new Amsterdam trading floor

BY CHARLES BATCHELOR IN AMSTERDAM

THE AMSTERDAM insurance community yesterday announced ambitious plans to establish a new Fl 6m ($2.24m) insurance exchange. The 35 insurance companies involved expect the new exchange, due to open in June, to lead to an increase in the Fl 1bn worth of premiums currently handled on the Amsterdam market.

Members of the new exchange will establish offices in a new building on the edge of Amsterdam city centre and the trading floor will remain open during normal business hours. The existing exchange next to the Amsterdam Stock Exchange, only functions for about one hour a day.

The increasing complexity of business means insurers need closer contact with their offices when transacting business, said Mr Rob Lenterman, chairman of the newly established Amsterdam Insurance Exchange Association.

The insurance exchanges in Amsterdam and Rotterdam, which have many similarities to Lloyds of London, together account for Fl 2bn worth of the Fl 7bn to Fl 8bn worth of commercial insurance business transacted annually in the Netherlands.

The exchange allow brokers brokers to spread their risks among a number of insurance companies. Foreign-owned companies account for about half the premium income of the Amsterdam exchange, whose members cover commercial, industrial, and transport risks.

The decision by the Amsterdam-based insurance companies to set up a new exchange was prompted by the failure of plans to merge the Amsterdam and Rotterdam insurance exchanges. A proposal to build a new exchange on the outskirts of Amsterdam foundered on the unwillingness of the Rotterdam insurers, most of them larger than their Amsterdam counter-parts, to move from their premises in the former Rotterdam Stock Exchange building.

Bols hit by deficit in Argentina

By Our Amsterdam Correspondent

A SETBACK in Argentina slowed profits at Lucas Bols, the Dutch distilling and drinks group, in 1981. It nevertheless proposes lifting its dividend on capital increased by 10 per cent.

Net profit rose by 5 per cent last year to Fl 45.3m ($17m) on sales, including excise duty, 7 per cent higher at Fl 787m ($294m). Bols will make a Fl 3 final payment, taking the total dividend to Fl 4 per share, compared with an adjusted Fl 3.64 in 1980.

The devaluation of the peso and the economic downturn in Argentina in the final months of the year led to a loss of Fl 3.9m at Bols' local subsidiary, compared with a profit of Fl 2.3m the year before.

This has prompted Bols to account for its Argentinian activities separately under the heading "result of non-consolidated subsidiary," although the method of translating pesos into guilders is unchanged.

Sharply lower profits at Schauman

By Lance Keyworth in Helsinki

HIT BY weak trading in pulp and paper, Schauman, Finland's biggest forest products group, reports sharply lower profits for 1981.

Net profits have fallen to FM 10.5m ($2.3m) from FM 15.8m on sales only marginally ahead at FM 1.72bn, against FM 1.67bn. The dividend is being held at 10 per cent.

Mr Gay Ehrnrooth, the managing director, said the overall result was "unsatisfactory." Of the main individual units, the result for pulp and paper was unsatisfactory, for packaging materials good, for plywood satisfactory and for leisure craft very satisfactory.

Mr Ehrnrooth, viewing prospects in 1982, said the outlook for pulps and paper was problematic. It will be necessary to cut production and it seems as though it will not be possible to raise prices.

Extremely difficult year at Austrian savings bank

BY OUR VIENNA CORRESPONDENT

REDUCED PROFITS and a cut in the dividend are the culmination of an "extremely difficult year" for Girozentrale, the central institute of the Austrian savings bank.

Net profits for 1981 fell by 12 per cent to Sch 73.6m ($4.3m) and the dividend is going down to 7 per cent from the 8 per cent paid in 1980. Cashflow last year improved, however, to Sch 641m, against Sch 550m.

Director general, Dr Karl Pale stressed that despite the adverse economic conditions Girozentrale had achieved satisfactory growth in balance sheet terms with total assets rising by 11.7 per cent to Sch 176.6bn.

The pressures on liquidity, high interest rates, the "non-functioning" of the capital market, and stiff competition had all created problems. Balance sheet growth last year stemmed primarily from foreign business with its share reaching a peak of 30 per cent in terms of total assets.

Ship delays hurt Belgian line

BY ANDREW FISHER, SHIPPING CORRESPONDENT

ABC Containerline, the independent Antwerp based company, has suffered a "tremendous setback" from the delayed deliveries of two ships from the Cockerill shipyard in Belgium, now being supported by the Belgian government.

Mr Tsvi Rosenfeld, head of ABC and its majority shareholder, said potential profits of $9.2m would be lost because of delays on the ships, with extra interest costs adding $1.8m.

ABC expects to report net profits of around $5.5m in 1982. With the two ships—now to be eight and twelve months late—it would have been around $15m.

Mr Rosenfeld said 1981 profits fell to $4m from $5.2m, due to the cost of labour disputes at Australian ports.

ABC which operates outside the organised conference structure at lower rates, is considering ordering a £18m combined bulk carrier and container ship from Britain, he added. This was far above the cost in Japan, but ABC was keen to build a new vessel at Sunderland Shipbuilders, to run under the UK flag with an Australian crew. He hoped that budget changes would not make the cost prohibitive.

ABC runs bulk carrier, refrigerated, and container services on a triangular run between Europe, Australia and the U.S. It also has two ships on order costing $34.5m each at Samsung in South Korea.

These are for operations under the U.S. flag by a company in which ABC has a 25 per cent stake and a U.S. marine engineer's pension fund 75 per cent.

هكذا من الأصل

Property earnings bring strong year for Swire

BY ROBERT COTTRELL IN HONG KONG

SWIRE PACIFIC, whose subsidiaries include Cathay Pacific Airways and Swire Properties, increased attributable profits by almost 70 per cent to HK$764.5m (US$130.9m) in 1981. The group is 47 per cent controlled by John Swire and Sons of the UK.

A final dividend of 52 cents is proposed for each "A" share, making a total for the year of 76 cents against 60 cents in 1980. For "B," a proposed final of 10.4 cents makes 15.2 cents for the year against 12 cents in 1980.

Earnings per "A" share are put at 207.9 cents, against 130.8 cents in 1980, when the group's attributable profits were HK$449.8m. "B" share earnings rose from 26.2 cents to 41.6 cents.

Mr Duncan Bluck, chairman, said that Swire Properties was once more the group's largest profit-earner, contributing an attributable HK$358m, 73 per cent of the total. The second-largest attributable profits-earner was the aviation division with about 19 per cent of the total.

The strong performance by the property division was helped by the HK$191m profit arising on the sale of the Oriental Plaza office building in Kuala Lumpur.

The division looks likely to contribute a lower proportion of profits in the current year because of the softer Hong Kong property market. Mr Bluck expects the group's other divisions, however, to strengthen their performance.

The group's decision to raise the dividend by less than the earnings per share increase reflects a cautious attitude to 1982. Mr Bluck noted that 1981 had seen two non-recurrent lumps of income, from Oriental Plaza and the sale of a block of local television company shares.

Book net assets at the end of 1981, following a property revaluation, are stated at HK$14.02 per "A" share and HK$2.80 per "B" share, 18 per cent up on 1980. The group's debt-equity ratio is said to have improved slightly over the year.

Shareholders are offered the choice of receiving their final dividend in new shares or in cash.

Tokyo tax authorities reject NYK procedures

By Yoko Shibata in Tokyo

NIPPON YUSEN Kaisha, Japan's largest shipping line, has been ordered by the Tokyo Regional Tax Administration to pay an additional Y4.2bn ($17.1m) of corporate tax following disallowance by the tax authorities of some of the company's accounting procedures.

The authorities objected to NYK charging Y10bn worth of chartering costs to NYK's overheads in the fiscal year ending March 31, 1981, instead of to fiscal 1982. Revenue earned from the same charter ships will be shown in NYK's accounts for 1982 in accordance with a practice introduced two years ago under which the company reports charterage freight revenues after the completion of the voyage.

The effect of the accounting procedure, which has also been followed by two other shipping lines was to reduce by about Y10bn NYK's reported corporate income for the 1981 business year. The company's declared income for 1981 totalled Y21bn, up from Y3.7bn the previous year.

NYK strongly denied yesterday that it had understated its profits to avoid the repayment of interest subsidies to the government on loans for ships built in Japan.

Japanese shipowners are obliged to repay interest rate subsidies if their profits amount to more than 20 per cent of capital.

NYK's revised 1981 profit would still fall within the 20 per cent rule so that the tax authorities reassessment will not lead to repayment of the interest subsidy at least for that year.

Some Y24bn of subsidies has accrued to NYK from fiscal 1979 to fiscal 1981 when the scheme was discontinued.

NYK expects a 60 per cent jump in operating profits in the year ended March 31 1982, thanks to a boost in dollar-denominated freight charges and to the effects of the yen's depreciation.

The company does not, however, expect to have to repay interest rate subsidies as a result of this. Various steps such as an increase in capital or the diversion of profits into internal reserves can be adopted as counter-measures, a spokesman indicated.

NYK justifies the splitting of chartering costs and revenues for accounting purposes by arguing that charterage fees should be regarded as "seafaring costs" which accrue during the business period in which a ship actually sails. Its view was rejected by the tax authorities on the grounds that "normal" accounting procedures have included both the costs and revenues of charter contracts in the same business year. Apart from NYK, two other shipping lines, Showa Kaiun and Daiichi Chuo have followed similar procedures.

Buoyant exports boost Komatsu

BY OUR TOKYO STAFF

KOMATSU of Japan, the world's second biggest construction machinery maker, has reported record consolidated sales and profits for the year ended December following strong overseas demand for construction and industrial machinery.

Consolidated net profits rose by 19.8 per cent to Y33.3bn ($136m) on consolidated sales ahead by 8.6 per cent to Y703.7bn.

Domestic sales fell by 2.8 per cent to account for 50.7 per cent because of weak demand for construction machinery as a result of curbs on public work expenditure.

Overseas sales rose by 23.6 per cent to account for the balance, thanks to buoyant sales of dump trucks, motor graders and wheeled loaders in Asia, Australia, the Middle East and Africa.

Total sales of construction machinery rose by 10.7 per cent to account for 80.9 per cent of turnover. Sales of industrial machinery rose by 24.5 per cent to account for a 7.2 per cent share.

Industrial machinery sales were boosted by strong demand from foreign car makers for heavy-duty presses.

The company's average exchange rate in 1981 was Y216 to the U.S. dollar, an appreciation of Y9 from the previous year, which resulted in foreign exchange losses of $17.5bn. Starting with the 1981 results the company changed the method of translating currency of financial statements to the U.S.'s FAS 52 from the previous FAS 8. This change increased net profits by Y3.4bn.

In fiscal 1982 the company is expecting a full contribution to results from sales of hydraulics excavators and recently introduced high-performance welding robots.

The company is negotiating with Westinghouse of the U.S. for technical tie-ups in industrial robots through OEM supply or licensing.

The company sees flat growth in domestic sales for the current fiscal year. Full year consolidated net profits are expected to grow by 8.3 per cent to Y36bn, on projected sales of Y770bn, up 9 per cent.

Newsprint costs hit New Straits Times

By Wong Sulong in Kuala Lumpur

HALF-YEAR pre-tax earnings of New Straits Times, Malaysia's biggest newspaper group, were down by 12 per cent to 15.5m ringgit (U.S.$6.7m).

The poorer earnings were not due to the slowdown in the local economy but rather to higher cost of newsprint and the full impact of the wage agreements signed last year.

In the past, the group had benefited from its high stocks of relatively cheaper newsprint. Turnover in fact went ahead by 22 per cent to 66m ringgit for the half-year.

The group is expected to benefit further by the recent decision by the Government-owned television and radio operation to stop accepting cigarette and luxury products advertisements in the broadcasting media.

Borrowing charges reduce Myer first-half income

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE MYER EMPORIUM, one of Australia's three biggest retail concerns, suffered a 2.2 per cent fall in net profits in the six months to January 31 to A$26.9m (U.S.$28.3m), from the A$27.5m of the first half of the previous year.

The fall took place against the background of a near tripling of interest charges, to A$26m, from A$8.9m.

Sales increased by 18.2 per cent to A$889m (U.S.$934m), from A$752m, and profits before interest and tax were 18.1 per cent up, at A$67.2m, against A$56.9m.

The net profit includes extraordinary earnings of A$1.70m, compared with A$2m, while tax took A$16.4m, against A$22.6m, while depreciation was put at A$12.2m, compared with A$9.8m.

The interim dividend was unchanged at 5.5 cents a share.

Myer has borrowed heavily to fund retail expansion, as well as acquisitions that last year included the Red Rooster fast food chain, the San Remo and Crittenden's liquor store groups, and a half share in HFC Financial Services.

It has also ventured into retailing in South East Asia, and into telecommunications and computer software.

The company said in Melbourne yesterday that its level of retail sales in February and March had partly compensated for a post-Christmas slump. But it warned that depressed trends would continue into the second half. All major capital projects are under review and some are likely to be deferred.

Myer is currently selling A$120m worth of property.

Hyundai Motor stake for two Mitsubishi companies

BY RICHARD HANSON IN TOKYO

MITSUBISHI MOTORS and Mitsubishi Corporation, the trading house, have won approval from South Korean authorities to acquire jointly a 10 per cent equity share in Hyundai Motor, South Korea's biggest car maker.

The two affiliated Japanese companies will invest Y1.7bn ($7m) on a 50-50 basis for the shares. Hyundai plans to increase its capital to Won 53.6bn ($69m) from Won 48.25bn in the transaction.

The Mitsubishi companies will be Hyundai's first foreign partner, though it has relied heavily on foreign technical assistance.

Hyundai's relations to the Mitsubishi group date back to 1973 when Mitsubishi agreed to provide it with the technology for producing a 1.5 litre engine for its Pony car. Mitsubishi will continue to supply technology as part of the South Korean company's major expansion programme and also dispatch executives to Hyundai.

Plans call for construction of a plant with annual capacity of 300,000 units in Ulsan in the southern part of the country, by 1985. This will nearly triple Hyundai's presently under-utilised capacity, as a key part of South Korea's current five-year development plan.

There are some doubts, however over whether demand for cars will in fact expand that rapidly in South Korea.

Hyundai suffered a sharp cut-back in production two years ago when South Korea's economy plunged into recession.

Norgas scores at home and away

BY FAY GJESTER

NORGAS, a fast-growing Norwegian industrial group involved in pharmaceuticals, industrial gases and welding equipment—which shortly will be offering shares to UK investors, won two coveted Norwegian business awards last year. Its managing director, Mr Kaare Moe, was named "Manager of the Year" by a leading Norwegian weekly finance magazine, Farmand, and a leading company in the group, Unitor Ships Service, which is 54 per cent owned was voted "Company of the Year" by another.

Mr Moe's selection was partly a tribute to his arranging a deal which Norwegians have called "the merger of the year"—the takeover by Norgas of a profitable, family-owned pharmaceutical company, Nyegaard. This acquisition contributed NKr 200m of turnover and NKr 47m of profit to the group in 1981. The group's profits in total in 1981 were NKr 128.3m before extraordinary items, on turnover of NKr 1.36bn ($136m).

In the short term, all that the deal will cost Norgas will be the 1981 dividend payment—a recommended 15 per cent, totalling around NKr 5m—on the NKr 33m of new Norgas shares which Nyegaard's owners received under the deal. At the same time, the sellers have found benefit in the market value of their Norgas shares (around NKr 200m) appreciating as a result of investor optimism about the group's future following the merger.

The purchase of Nyegaard was one of the two major developments affecting Norgas last year. The other was the acquisition of Smitweld, a Dutch welding company. This provided a base within the EEC from which to expand the production and distribution of welding products. It was financed partly by borrowing and partly from internal funds.

Both moves are part of the group's strategy—adopted when Mr Moe became its managing director in 1977—of diversification and internationalisation, recognising that opportunities for growth in Norway were becoming limited. With foreign sales now accounting for more than half the group's turnover, Mr Moe has already made good progress in this direction.

Norgas is a fast-growing Norwegian group in the pharmaceuticals, industrial gases and welding equipment fields, and is branching out. It plans shortly to bring shares to the UK investor.

When Mr Moe took the wheel, Norgas' two main activities lay in the supply of industrial gases and the marine services division. The former was largely dependent on the Norwegian market, but the latter, mainly comprising Unitor Ships Services, offered considerable scope for international growth.

Unitor, has become a supplier of standardised products and services to the international shipping and offshore industries, increasing turnover from NKr 24.4m in 1970 to NKr 374m in 1980 and NKr 511.4m last year. Its sales, through outlets in more than 470 seaports all over the world now cover the fields of maintenance, safety and operations, and its earnings potential looks good, despite the shipping slump, because of the continued growth of the offshore petroleum market. Last year, for instance, Unitor bought out its supplier of survival suits, Imperial Products and Manufacturing, Vancouver, in order to take advantage of the rapidly growing market for these products.

The other main area of the group's activities, atmospheric gases for welding, has a good profits record. Moreover, Norgas expects this division to increase its sales on the Norwegian market as the Norwegian economy recovers, and as new applications are found for atmospheric gases. Among these, it sees potential in the food industry's increasing use of nitrogen for processing, and the use of oxygen for pollution control.

Even so, Norgas wanted "a new leg to stand on." It considered two of today's glamour industries—electronics and pharmaceuticals. While it had no experience of the former, it had a small foothold in the latter—through its production of medical gases and medical equipment. When it learned that Nyegaard might be for sale it went ahead.

The acquisition gives Norgas access to international pharmaceutical markets and is expected to reduce its exposure to economic cycles.

Norgas already has a small stake in Norway's offshore industry, through its 10 per cent holding in NOCO (Norwegian Oil Consortium), a partner on the Tor, Valhall, and Hod fields in Norway's part of the North Sea. Now it hopes to increase its involvement.

With its prospective partners, it has already applied to the Oil Ministry for a share in four promising new concession areas to be awarded soon, including three adjoining Shell's big gas find on Block 31/2. Another grouping, Explonor, has asked for shares in the same areas, and the Oil Ministry has indicated that the two groupings would stand a better chance of succeeding, if they co-operated and combined their bids.

Whatever the outcome — and the blocks in question are expected to be awarded late in April or early in May — the Norgas cash flow from its investment in NOCO will rise considerably from new November, when the Valhall field will come on stream.

The Norgas bid for British investment backing will come some time this spring through a private placement of about 800,000 new shares, with a par value of NKr 25 each at a price roughly equal to their current price on the Norwegian market — 600 per cent of par. Later, a London listing will be sought. The Norwegian Government has agreed to increase — from 20 per cent to 30 per cent — the maimum proportion of Norgas capital, which foreigners are permitted to hold.

Comermex profits soar

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S FIFTH largest private bank, Multibanco Comermex, saw profits jump 52 per cent in 1981 to 819m pesos ($31.5m) compared with a modest 7 per cent increase in 1980. Total assets rose by 24 per cent to 162.5bn pesos ($6.2bn).

Comermex's return to high profits is the result of streamlining operations and no longer aggressively seeking a bigger market share. Whereas other Mexican banks continued to expand in 1981, Comermex decided to adopt from an early stage a more cautious approach in line with the country's new austere economic situation.

The bank reduced its staff by about 2,006 in 1981 or 20 per cent of the total. Banamex, the second largest bank which earlier in the week reported a 36.6 per cent profits rise, increased its staff by 13 per cent last year.

As a result of its cuts, Comermex will be able to weather the effects of extra wage increases this year better than other banks whose wage bills will shoot up.

Hoechst stake in TR Oil

BY SUE CAMERON, CHEMICALS CORRESPONDENT

HOECHST UK, part of the German-based chemicals giant, has bought a 50 per cent stake in TR Oil Services, which manufactures specialised oil field chemicals for use in the North Sea and the Middle East. Hoechst refuses to say how much it had paid, but the sum is thought to be less than £100,000.

TR Oil Services, which has its main base in Scotland, at Aberdeen, is a subsidiary of the UK-based Simon Engineering.

Hoechst says the venture brings together Simon's established presence as a leading oilfield chemical company and its own "considerable technical and research capabilities."

Specialised chemicals are used to increase the production of oil from a field, and Hoechst foresees strong market growth in this area. It expects oilfield chemicals to be used, for example, at an earlier stage of North Sea oil production

Hoechst UK announced consolidated sales of £449m ($800m) for last year—13.5 per cent more than in 1980. Its pre-tax profits—including associated companies—rose from £4.7m to £6.7m.

WORLD STOCK MARKETS

Firmer early Wall St tone

WITH INVESTORS finding some encouragement from President Reagan's televised Press conference on Wednesday night, Wall Street tended to pick up a little in moderate early dealings yesterday.

The Dow Jones Industrial Average edged up 1.72 to $824.49 at mid-day, while the NYSE All Common Index firmed 17 cents to $64.69. Rises outscored falls by a seven-to-five ratio after trading volume of 27.02m shares, against Wednesday's noon total of 25.94m.

The President said last night that he would consider suggestions for altering his proposed Budget for fiscal 1983 as long as the Nation's defence requirements were not impaired.

Investors have worried that Mr Reagan's current Budget plans, which entail large deficits, would keep U.S. interest rates at high levels.

"The President seems a little more conciliatory towards the Budget," commented analyst Hildegard Zagorski, of Bache Halsey Stuart Shields.

Sears Roebuck and IBM, the two most heavily-traded issues on the New York Stock Exchange, scored fractional gains at $19¾ and $60¼ respectively.

IBM told analysts earlier this week that first-quarter earnings should show a decline. But it disclosed that its domestic order rate was strong and that foreign orders also increased in the quarter.

Louisiana Land and Exploration, the best performer on the NYSE most active list, climbed a point to $26¼ on over 300,000 shares.

Chemical shares were narrowly mixed. Chemical manufacturers generally are expected to report depressed earnings for the first-quarter.

Motors also recorded irregular movements. A trade publication said the industry's new car production in April is expected to drop to the lowest level for that month since 1961.

THE AMERICAN SE Market Value Index, in contrast to the NYSE, was 0.70 lower at 259.42 at noon. Volume 1.78m shares (2.19m).

Closing prices for North America were not available for this edition.

Canada

Markets remained in easier mood yesterday morning in reasonably active trading. The Toronto Composite Index retreated 12.3 to 1,575.5 at mid-day, while Oil and Gas lost 44.4 to 2,529.5, Metals and Minerals 24.7 to 1,438.6 and Golds 2.4 to 2,196.3. However, Real Estate and Construction rose 19.6 to 4,337.7 against the trend.

Among the actives, Dome Petroleum lost ⅛ to C$8, Turbo Resources 5 cents to C$1.65 and Gulf Canada ⅛ to C$12⅛.

Tokyo

In a heavy trading session yesterday, the first day of the 1982 fiscal year, the market tended to improve afresh. Buyers concentrated on some of the recently weak export-orientated Blue Chips, which were tending to rally the previous day.

Investors were drawing confidence from details of economy-boosting public spending measures to be taken by the Government in the first half of the year.

There was also a belief that the Government's proposed measures to make Japanese markets more open to Western goods to reduce international trade friction have become clearer than before.

However, the stock market's advance was trimmed later in the session, with the Nikkei Dow Jones Average rising 65 points more before ending a net 33.19 higher at 7,293.67. The Tokyo SE index gained 1.94 at 535.75, while advances led declines by 332 to 289 on the First Market at the close. Volume 580m shares (460m).

Hitachi rallied Y24 to Y574, Canon Y12 to Y700, Sony Y30 to Y3,380, TDK Electronic Y40 to Y3,230, NGK Insulators Y80 to Y530, Fujitsu Fanuc Y180 to Y4,590, Daiwa House Y20 to Y790 and Kyoto Ceramic Y70 to Y3,150.

Recent very strong speculative favourites Sumitomo Metal Mining and Mitsui Mining and Smelting again attracted hectic trading and were highly volatile yesterday. Sumitomo was finally down Y61 at Y979, having opened at Y1,000 and reached a day's high of Y1,130 in early afternoon trading. Mitsui lost Y20 at Y244, after touching a day's high of Y270. Dealers attributed the lower closings to a decision by the Tokyo Stock Exchange to raise the margin requirement to 60 per cent from 50 per cent from yesterday on transactions in both shares.

Germany

A fairly general improvement in Bourse prices occurred in lively trading as an already bullish market viewed mid-session news of a new Bundesbank liquidity tender as a further pointer to lower interest rates. The Commerzbank Index firmed 3.5 to 722.2.

Steels put in the best performance as a sector for the first time in months, with Mannesmann rising DM 3.70 to DM 153.00 after announcing that the Soviet Union has confirmed a DM 230m order for a pipe network. Krupp Stahl climbed DM 3.00, Thyssen DM 2.30 and Kloeckner-Werke DM 2.00. Brokers noted that the Bonn Government's soon-to-be-realised pledges of aid to the steel industry continued to underpin the sector.

A weak exception, however, was Degussa, the precious metals and chemicals concern, which fell DM 5.50 to DM 233 on reporting lower interim sales and warning of a likely dividend cut on 1981-82 results.

Prices for Domestic Bond issues surged ahead after repayment on issues falling due in March freed liquidity for new purchasing, according to traders.

Johannesburg

Gold shares mainly gained ground in moderate trading, receiving a boost from the overnight New York rise in the Bullion price. Randfontein put on R2.50 to R55.50 and Kloof R1.25 to R30.00.

Mostly firmer Mining Financials had Gencor 45 cents higher at R17.70.

Australia

Another very quiet trading session ensued yesterday, with markets retaining a slight bias to lower levels. Investors mostly remained on the sidelines as they nervously awaited the outcome of the Victoria State election this weekend but some issues began picking up near the close on meeting some buying.

Market leader BHP fell 24 cents initially to A$7.00, its lowest price for more than three years. However, late support brought a partial rally to A$7.10, down 14 cents on balance. Movements elsewhere were generally small.

In the Mining sector, Peko-Wallsend shed 10 cents to A$4.50 and Griffin Coal lost 90 cents to A$5.60, but CRA picked up 5 cents to A$2.45.

News declined 10 cents to A$1.85 in Industrials but in the Energy sector, Bridge Oil recovered 10 cents to A$2.45 and Hartogen 5 cents to A$3.00.

Hong Kong

Idle trading conditions continued to prevail yesterday, but sporadic bargain-hunting gave the market a mild lift from its recent depressed level. The Hang Seng index recovered 8.34 to 1,174.30.

Turnover amounted to only HK$91.33m on the four exchanges, not far above the HK$83.27m recorded in the regular half-day session on Wednesday.

Among Blue Chips, Cheung Kong picked up 40 cents to HK$15.50, Jardine Matheson 20 cents to HK$15.10, Hutchison Whampoa 20 cents to HK$13.80, Swire Pacific A 20 cents to HK$9.80, HK Wharf 12.5 cents to HK$4.375 and HK Bank 10 cents to HK$14.70.

NEW YORK

CANADA

Indices

NEW YORK —DOW JONES

NYSE ALL COMMON

Mar. 31	Mar. 30	Mar. 29	Mar. 26	1982 High	1982 Low
64.52	64.65	64.65	64.53	71.20 (4/1)	62.52 (12/3)

Rises and Falls

	Mar. 31	Mar. 30	Mar. 29
Issues Traded	1,860	1,833	1,832
Rises	694	678	663
Falls	693	671	736
Unchanged	473	484	433
New Highs	20	16	9
New Lows	20	29	21

MONTREAL

	Mar. 31	Mar. 30	Mar. 29	Mar. 26	1982 High	1982 Low
Industrials	261.21	261.39	261.56	261.06	332.79 (4/1)	270.46 (16/3)
Combined	268.53	269.05	269.47	270.08	316.08 (4/1)	259.08 (15/3)
TORONTO Composite	1587.8	1595.5	1608.5	1607.1	1958.5 (4/1)	1537.6 (16/3)

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Schlitz Brew...	797,100	14⅞	+ ⅛	Southam	510,700	13½	+ ⅛
Kaiser Steel...	703,900	31⅞	+4	Am. Tel. Tel. .	418,000	56⅞	− ½
IBM	671,600	59⅝	− ½	Penn Central .	394,900	28⅜	+ ⅜
Champion Intl.	624,100	16	+ ⅛	Columbia Pics.	380,500	67¼	+ ⅜
Exxon	520,500	26	− ⅜	J. C. Penney...	372,200	34⅝	+ ⅞

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

NORWAY

SWEDEN

SWITZERLAND

ITALY

SINGAPORE

HONG KONG

SOUTH AFRICA

JAPAN

Financial Rand US$0.77½ (Discount of 18½%)

BRAZIL

COMMODITIES AND AGRICULTURE

Further falls in zinc

By Our Commodities Staff

EXPECTATIONS OF further producer price cuts led to further falls in the zinc quotation on the London Metal Exchange yesterday.

The cash price ended the day £5.50 down at £412.50 a tonne. In the past week Metallgesellschaft and Preussag of West Germany and Vieille Montagne of Belgium have all cut their official price from $900 to $860 a tonne. The cuts came only a few weeks after the West Germans had raised the price from $875 to come into line with other producers.

Yesterday's weakness in zinc spilled over into the lead market where the cash position ended £6.75 down at £319 a tonne. The fall was also encouraged by computer-orientated speculative selling, dealers said.

The tin market settled back a little after Wednesday's rise, which was encouraged by the Tin Council's decision to allow the buffer stock manager to borrow extra market support funds. Last night cash tin closed £27.50 down at £7,047.50 a tonne.

Copper was very quiet with the high grade cash quotation ending £2.75 up at £830.25 a tonne.

India may import less edible oil

NEW DELHI — India's edible oil imports during the 1981-82 oil season, ending October, may be lower than last season's 1.07m tonnes due to good mustard and groundnut crops, according to the State Trading Corporation (STC).

STC has already contracted purchases abroad of over 550,000 tonnes of edible oils for the current season.

India's cashew exports fall

NEW DELHI — India's cashew kernel exports fell to 29,449 tonnes in 1981, a 20 per cent drop on the previous year, the Press Trust of India (PTI) reports from Cochin.

But foreign exchange earnings from cashew kernels over the same period went up by 13.8 per cent, PTI said, adding this was attributed to a rise of about 45 per cent in the unit price.

Reuter

Cocoa market rallies

BY OUR COMMODITIES STAFF

COCOA VALUES rallied on the London futures market yesterday from the nine-month low reached earlier this week. The rise, which lifted the May quotation by £26.50 a tonne at one stage, was attributed mainly to confirmation that Nigeria planned to process domestically a large part of the cocoa dealers had assumed would be exported.

But selling by French speaking West African producers pared gains near the close and the May position ended only £9.50 up on the day at £993 a tonne.

An important influence on the recent decline in the cocoa market was talk of Nigeria soon being forced to sell cocoa because of a shortage of foreign exchange caused by oil price cuts. The country had been resisting selling at prices which were below production costs.

But reports circulating in London on Wednesday afternoon that Nigeria planned to process domestically a large part of its 100,000 tonnes crop balance from the current season were confirmed from Ibadan yesterday. This caused an upturn in the market which triggered widespread short covering.

Dealers also noted that Nigeria had facilities to store a substantial tonnage of cocoa, which they saw as supporting claims that current crop cocoa had not been sold recently apart from minor amounts to the International Cocoa Organisation's (ICCO) buffer stock and to eastern Europe.

The fact that Nigeria was due to lift its credit ban virtually confirmed that it was in no hurry to release the unsold portion of the 1981-82 crop, estimated at 100,000 tonnes, the dealers added.

Apart from rumours of imminent Nigerian sales, the earlier cocoa price decline had reflected a report published by London trade house Gill and Duffus which painted a gloomy picture of cocoa market prospects, earlier this week.

Although it cut its estimate of the 1981-82 world crop surplus from 95,000 to 81,000 tonnes, Gill and Duffus still expected world stocks to end the season at 682,000 tonnes, the highest level since 1965-66. And it saw little hope of scheduled ICCO buffer stock purchases of 30,000 to 35,000 tonnes making a significant impact on market values.

Rise in coffee stocks seen

WASHINGTON — World carry-over coffee stocks in producer countries at the end of the 1981-1982 year are projected to increase to 43.33m 60-kilo bags from 31.8m bags a year earlier, the U.S. Agriculture Department said.

In its roundup of world production and trade developments, the department said the stocks estimate is based on its fourth and final world production estimate of 96.66m bags, exports of 64.67m bags and internal use by producing countries of 21.17m bags.

It noted domestic use among consuming countries had shown little growth during the past five years.

Reuter

Aid for Orkney fishermen

By Our Own Correspondent

ORKNEY fishermen are to get £60,000 of oil revenue assistance towards their fuel bills.

This payment, agreed to by the Orkney Islands Council, is similar to one paid to farmers last year to help them after the effects of two years' bad weather.

U.S. reservations about proposed cotton pact

BY BRIJ KHINDARIA IN GENEVA

THE U.S. has expressed serious reservations about a proposed new international commodity agreement regulating cotton markets, but other nations, including the EEC and developing countries, think that such an accord may be feasible.

Wide divergence of views emerged in private consultations in Geneva this week among the main industrialised countries and the Izmir Group of 19 developing countries which produce and export cotton. The U.S. has considerable influence in the cotton sector because it is the world's largest producer.

Suggestions by the United Nations Conference on Trade and Development (Unctad) about the content of a possible agreement were criticised by both developing and developed countries.

The U.S. found that they went too far towards proposing interference with existing cotton market mechanisms, while the Izmir Group said they fell too short of promoting price stabilisation.

The Community took a cautious intermediate position to prevent the talks from breaking down altogether.

A new round of consultations will be held in late April to pave the way for a formal meeting of a committee created in 1976 to complete preliminary negotiations for a cotton agreement.

The committee's previous session in May 1981 saw so many arguments that last week's *informal* consultations had to be called to decide whether the committee ought to meet again.

In spite of the cotton market's *notorious complexity*, developing countries are determined to find means of ensuring that their export earnings do not fluctuate as wildly as price movements.

The U.S. position appears to have hardened slightly since last year. It is now saying that discussion of any elements of the proposed accord will be futile without a prior decision to eliminate suggestion of price stabilisation.

The U.S. did not take any substantive part in last week's talks acting more as an observer, at negotiations chiefly between the Community and the Izmir Group. The Unctad secretariat's proposals are now being revised to include the results of those negotiations.

The role the U.S. delegation takes in the next round of talks *depends largely on Washington's* reaction to the revisions.

Two new foot and mouth cases

By Hilary Barnes in Copenhagen

TWO NEW cases of foot and mouth disease were confirmed late on Wednesday night, bringing the total number of herds affected since the first case on March 18 to 11. Both the new cases were in the same area as the other cases in the eastern part of the island of Funen. Although it was a week since the last case, the new cases were not entirely unexpected, as the incubation period for the virus is about a week.

The new cases mean that slaughterhouses on Funen will have to postpone a resumption of slaughtering for about two weeks. They had hoped to begin again next Monday. Mr Marius Jacobsen, managing director of the Expofyn slaughterhouses, said there was now a backlog of unslaughtered pigs of about 30,000, which would rise to 70,000 before slaughtering could be resumed. He said that this was creating disastrous conditions for local pig breeders, who do not have space for the growing number of pigs, while they are also suffering financially from having to feed the extra pigs.

● West Germany will forbid the import of both cloven hoofed animals, mainly beef cattle and pigs, and fresh meat and meat products from Neubrandenburg and Rostock, the areas of East Germany affected by foot and mouth disease, the agriculture ministry said in Bonn, reports Reuter.

The measure comes into effect tomorrow. The ministry said exports to other EEC countries of animals and meat from Funen have been forbidden by the Danish authorities.

Lower fishmeal output expected

WORLD fish meal output is likely to fall by 2.5 per cent to 4.45m tonnes in the 1981/82 season (Oct/Sept) but usage and exports should rise sharply, the Hamburg-based publication "Oil World" said.

It forecast fish meal use will rise to 4.49m tonnes from 4.33m in 1980/81 and exports to 2.25m tonnes from 2.01m.

The output figure would be the lowest since 1976/77 but stocks of 1m tonnes at October 1, 1981, were 33 per cent up from a year earlier

Reuter.

Farmer's viewpoint

Taking stock after the winter

FARMERS VIEWPOINT — IT IS claimed that the ideal date for sowing spring barley is March 15, but at that date this year the prospects were dismal. The ground was still sodden and the weather cold. And then there was a miraculous change. From the 22nd we had a most marvellous week during which I sowed 200 acres of spring crop and got all the nitrogen on the winter-sown wheats and barley.

I was particularly pleased with the way the sodden furrows broke down after cultivation and the seed all went into a nice crumbly tilth. This was because there was a drying atmosphere, and I was more than pleased that I had resisted the temptation to muddle the seed in by working the land before it was really fit. If you stir clay soils about in humid weather you make the raw materials for bricks, and you can't grow crops on bricks.

That week's benign weather completely restored my faith in the unpredictable British climate, which, whatever the odds, usually does provide for a sowing and a harvest time. Although these are sometimes so fleeting, that it is essential to take every advantage of them when they happen.

At the same time though I made the decision to rip up two autumn-sown fields of barley and oats. This is an expensive procedure, but it did not seem that these crops would recover enough to produce a reasonable stand. Each field had bare patches where no plants remained at all, and these added up to a sizable proportion of the whole. Even where there was a stand they showed few signs of life and were making very little growth.

There were several reasons for this, and I would accept some of the blame. Sowing was delayed because, for good reasons at that time, I did not wish to sow in the drought last September as I was waiting for the weeds to germinate first. This meant that the plants had not made sufficient growth to *remain strong through the* winter. This particularly affected a field of winter barley and was aggravated by the attacks of rooks as the seed was germinating, which literally decimated one or two areas in a very short time.

The slugs set on the plants that remained, and in spite of putting on some nitrogen in January during a brief dry spell, there was no growth to speak of. This was compounded by the fact that the fields had been waterlogged for much of the winter and I feared that there was no chance of the roots spreading through the soil.

The field of oats was partly killed by the frost and I had marked off areas to be replanted. But because the rest was just making no progress I decided it was best to make a complete job. Both fields were sprayed with a weed killer to remove the surviving plants and ripped up. Killing off the original plants was essential to get even ripening of the newly planted crops. Autumn sown varieties are a month earlier ripening than spring sown.

By contrast, the wheat has wintered very well indeed. Some of it was sown as late as the end of November, but it stood frost, snow and even waterlogging better than I have known for a long time. It has now had half its supply of nitrogen and looks to be safe to get through to harvest.

I am not alone in my problems. Travelling around the South of England and particularly over the Cotswolds during these last weeks I have seen a lot of very backward crops which will take a very favourable summer to turn into a worthwhile harvest. This is most interesting, as the Cotswolds were an area where the technique of growing autumn sown barley was developed. Last year they suffered from a summer drought and this time a bad winter and looks to have done a lot of damage.

I am beginning to think that autumn sowing of cereals, apart of course from wheat, could be a mistake in the future. Although winter barley yields rather better than spring sown, it costs a good deal more to grow, and if a proportion has to be replanted, it wipes the profit right out.

What also struck me most forcibly was the absence of livestock on these specialised cereal farms. I would be very concerned if my whole year's profitability were to be dependent on the well-being of my grain crops. I haven't the mentality to become dependent on such monoculture, and I am thankful for my livestock section which with pigs and sheep provides a substantial addition to the cash flow.

My pigs although housed, did suffer from some stress due to the weather. The ewes are lambing very well indeed—rather better than I have ever known them, with good lambs and plenty of milk. This must be due to the bad weather which forced me to feed them really well from December onwards. There is also plenty of grass which stood the winter better than the cereals.

I remember a book published before the war called "Mixed Farming and Muddled Thinking" which recommended specialisation. I am very pleased that this muddled thinker stuck to mixed farming.

John Cherrington

Improved sugar use forecast

SUGAR consumption generally should improve as current low prices take effect, London sugar dealer E. D. and F. Man said in its latest market report.

Some final buyers are already looking to take forward price over around present levels, and with this buying being met with essentially speculative selling, there is certainly scope for a market recovery during the coming months, it said.

The extent of this recovery will be dependent upon 1982-83 (September-August) crop growing conditions, it added.

Man said low returns will inevitably lead to reduced investments and plantings in many cane-producing countries during the coming year.

Yields are likely to fall from this year's levels unless the near perfect growing conditions are repeated.

The same combination of reduced plantings and yield should produce a sizeable drop in EEC production, Man added.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. TIN fell away on Commission House and stop-loss selling and touched £7,260, before rumoured Buffer Stock purchases lifted the price to £7,280 at the close. ZINC fell to £416 before rallying to £419.5 on rumoured U.S. producer price cuts and the Vielle Montagne price reduction. LEAD fell in sympathy to close at £330, while COPPER was quietly steady around £860. ALUMINIUM rose to £573.5 in response to West German buying. NICKEL closed at £3,057.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGr de Cash	826-7	—2.75	830-.5	+2.75
3 mths	855.5-6	—1.75	858-.5	+3
Settlem't	827	—3	—	......
Cathodes Cash	823.5-4	—2.75	827-.5	+2.25
3 months	851-2	—1.75	855-.5	+3.5
Settlem't	824	—3	—	......
U.S. Prod.	—	—	*74-8	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £858.00, 57.50, 58.00, 58.50, 56.00. Cathodes, cash £823.50, three months £852.00, 51.50. Kerbs: Higher Grade cash £827.50, three months £858.00, 58.50, 56.00, 56.50. Afternoon: Higher Grade, three months £857.00, 58.00, 58.50, 58.00. Cathodes, three months £855.00. Kerb: Higher Grade, three months £859.00, 58.50, 60.00. Turnover 27,575 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7045-50	+5	7045-50	—27.5
3 months	7260-5	+10	7260-5	—32.5
Settlem't	7050	+5	—	......
Standard				
Cash	7045-50	+10	7045-50	—27.5
3 months	7260-5	+8	7260-5	—32.5
Settlem't	7050	+5	—	......
Straits E.	$S30.58	+0.05	—	......
NewYork	—			

TIN—Morning: Standard, cash £7,055, three months £7,280, 75, 65, 60, 60, 65, 70. Kerb: Standard, three months £7,280, 60, 55. Afternoon: Standard, three months £7,280, 60, 65, 60, 55, 60. Kerb: Standard, three months £7,260.

50, 55, 60, 70, 80. Turnover 3,335 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	320-.5	—7.37	318.5-9.5	—6.75
3 months	331-2	—6.87	329-.5	—7.12
Settlem't	320.5	—7.25	—	......
U.S. Spot	—	......	*27-32	......

LEAD—Morning: Cash £320.50, three months £330.00, 29.50, 30.00, 29.75, 30.00, 29.00, 29.50, 30.00, 30.50, 31.00. Kerb: three months £331.00, 30.50. Afternoon: three months £331.00, 30.50, 30.00, 39.00, 39.50. Kerb: three months £329.00, 29.50. Turnover 13,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	412.5-3	—10.5	412-3	—5.5
3 months	418-.5	—9.5	418.5-9	—4¼
S'ment	413	—10.5	—	......
Primw'ts		......	*37.5-8.75	......

ZINC—Morning: cash £413.00, three months £417.00, 15.00, 16.00, 17.00, 17.50, 18.00, 18.50, 18.00, 17.50, 18.00, 18.50, 18.00. Kerb: three months £418.50, 19.00. Afternoon: three months £418.00, 18.50, 19.00, 18.00, 18.50. Kerb: three months £418.50, 19.00, 18.50. Turnover 9,650 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	548.9	—.25	549-.50	+5¼
3 months	569.5-70.5	+.75	571-.5	+5.5

ALUMINIUM—Morning: three months £571.00, 70.50, 71.00, 70.00. Kerb: three months £570.00, 71.00, 70.50. Afternoon: three months £571.00, 71.50. Kerb: three months £571.50, 72.00, 72.50. Turnover 15,875 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3025-30	—20	3020-5	—5
3 months	3045-50	—20	3045-50	—5

NICKEL—Morning: three months £3,050, 45. Afternoon: three months £3,050, 45, 50. Kerb: three months £3,050. Turnover 414 tonnes.

* Cents per pound. ‡ SM per kilo. † On previous unofficial close.

SILVER

Silver was fixed 2.35p an ounce *higher for spot delivery in the London* bullion market yesterday at 398.2p. U.S. cent equivalents of the fixing levels were: spot 711.0c, up 5c; three-month 736.9c, up 3.8c; six-month 762.4c, up 4.4c; and 12-month 815.8c, up 3.1c. The metal opened at 400-403p (715-720c) and closed at 398-399p (708-714c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	398.20p	+2.35	399p	+4
3 months	410.80p	+1.75	411.9p	+4
6 months	423.10p	+2.10	—	......
12months	450.20p	+1.70	—	......

LME—Turnover: 95 (59) lots of 10,000 ozs. Morning: three months 412.7, 12.5, 12.0, 11.5. Kerb: nil. Afternoon: three months 411.0, 10.5, 11.5, 11.8. Kerb: three months 412.0, 12.5.

COCOA

Futures steadied during the morning as commission houses covered shorts. A lack of follow-through prompted fresh trade and jobber selling which caused values to close on the defensive. Actuals business was scarce, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
April	970-90	—	—
May	992-94	+9.5	1010-958
July	1025-26	+11.5	1041-15
Sept	1053-55	+10.0	1070-45
Dec	1083-85	+4.5	1110-80
March	1115-16	+7.0	1125-12
May	1131-32	+9.0	1140-27
July	1140-45	—	—

Sales 2,831 (2,011) lots of 10 tonnes. ICCO—Daily price for March 31: 79.19 (79.35). Indicator price for April 1: 80.71 (81.44).

COFFEE

Against a slightly easier New York close London opened slightly lower, reports Drexel Burnham Lambert. Inability to make a significant breach on the downside resulted in a short-covering rally and the market was thereafter steady.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1215-16	+16.5	1223-86
July	1185-86	+18.5	1191-65
Sept	1168-63	+12.0	1169-58
Nov	1150-54	+14.0	1155-32
January	1147-50	+11.5	1150-40
March	1140-46	+13.5	—
May	1130-40	......	—

Sales: 3,489 (5,447) lots of 5 tonnes. ICO Indicator prices for March 31 (U.S. cents per pound): Comp. daily 1979 121.65 (121.88); 15-day average 125.67 (126.64).

GAS OIL FUTURES

The market opened steady, setting off some stops, but fell back after failing to break through on the upside. It reached the lows in mid-afternoon before closing steady, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	268.00	—0.50	267.75-64.00
May	260.00	+1.75	262.75-57.00
June	259.75	+2.25	261.00-56.50
July	260.00	+2.50	260.50-56.50
August	260.50	+0.50	265.00-60.50
Sept	265.00	+2.50	265.00
Oct	267.00	+1.50	268.50
Nov	272.00	+3.60	—
Dec	275.00	....	—

Turnover: 2,480 (3,096) lots of 100 tonnes.

GRAINS

Old crops opened slightly higher, new crops unchanged. Old wheat remained firm all day with shipper and commercial buying, while new crops were easier, Acli reports.

WHEAT Mnth	Yestard'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
May	116.20	+0.10	109.95	+0.15
July	119.55	+0.15	—	—
Sept	106.90	—0.10	102.95	—0.05
Nov	110.50	—0.15	106.50	—0.15
Jan	114.50	—0.10	110.60	—
Mar	118.20	—	114.15	—

Business done—Wheat: May 116.40-116.20, July 119.55 only, Sept 106.95-106.90, Nov 110.60-110.55, Jan 114.60-114.55, March 118.25 only. Sales: 85 lots of 100 tonnes. Barley: May 110.00-109.90, Sept 103.00-102.95, Nov 106.60-106.55, Jan 110.60 only, March no trades. Sales: 67 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent April/May 15 115.50, May 115.03, June 114.50 transhipment East Coast sellers. English Feed fob April 117.50, May 120.00, Nov 114.00 East Coast sellers. Maize: French first half April 133.50 transhipment East Coast sellers. Barley: English Feed fob April 113 East Coast, Aug 105 Gunness, Sept 105 Peterhead sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S East 107.10, S West 107.00, W Mids 107.90, N West 109.00. The UK Monetary Coefficient for the week beginning Monday April 5 is expected to remain unchanged.

RUBBER

The London physical market opened easier, attracted little interest through the day and closed uncertain. Lewis and Peat recorded an April fob price for No. 1 RSS in Kuala Lumpur of 206.0 (206.5) cents a kg and SMR 20 181.0 (181.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
May	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apl-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]

Sales: 198 (645) lots of 15 tonnes, nil (2) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 57.5p (57.00p); May 64.00p (same); June 54.75p (same).

SOYABEAN MEAL

The market opened £1.70 higher on follow-through buying, reports T. G. Roddick. Prices drifted on some profit-taking, but late in day rallied to close just off the highs.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	139.00-42.0	+2.20	—
June	132.70-32.8	+1.30	133.00-32.20
August	132.60-33.0	+1.45	133.00-32.40
October	133.70-34.0	+1.50	134.00-33.50
Dec	136.00-36.4	+1.55	—
Feb	139.50-39.5	+1.85	—
April	137.00-41.0	+1.25	—

Sales: 176 (336) lots of 10 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £148.00 (£149.00) a tonne cif April-May shipment. White sugar daily price £168.00 (same).

The market had gained £1.50 by early afternoon but all the gains were lost when New York failed to match up, reports C. Czarnikow.

No. 4 Con-tract	Yesterday close	Previous close	Business done
	£ per tonne		
May	165.10-55.25	155.50-55.55	158.65-55.50
Aug	158.00-58.05	158.45-58.50	159.40-56.50
Oct	165.00-65.10	161.15-61.20	164.25-61.25
Jan	165.60-66.00	163.50-64.00	—
March	172.50-72.50	171.00-71.25	173.25-71.00
May	174.75-75.25	175.75-74.25	175.25-74.25
Aug	177.25-78.25	178.00-78.50	—

Sales: 3,776 (3,939) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.000 (same) a tonne fob for home trade and £256.50 (£258.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 31: Daily price 10.70 (10.81); 15-day average 11.00 (11.03).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 502 tonnes. Orders under review were extensive and considerable interest was shown in numerous varieties, with American type growths predominating.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 370, 381, 381-380, Aug 398, 401, 402-400; Oct 402, 405, 402-401; Dec 404, 405, 405-403; Jan 403, 406, 405-403; March 413, 415, 414; May 422, 425, 425-423; Aug 432, 435, 435-433; Oct 432, 437, 435. Sales: 84.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. June 539.5, 540.0, 542.8-539.0; July 537.5, 538.0, 539.0-536.0; Oct 521.0, 521.5, 524.0-520.5; Dec 523.5, 524.0, 527.0-523.5; Mar 529.0, 532.0, untraded; May 532.0, 535.0, untraded; July 541.0, 543.0, 542.0-540.0; Oct 538.0, 544.0, untraded. Sales: 316.

★

HIDES—Manchester: The market was little changed. Second clears. Ox: 31-35.5 kg, 63.4 per kg withdrawn (63.8p a kg); 26-30.5 kg, 68.3p a kg (68.3p a kg); 22-25.5 kg, 77.8p a kg (77.8p a kg). Light cows 25.5 kg, 73.3p a kg withdrawn (74.8p a kg).

POTATOES

LONDON POTATO FUTURES—Heavy selling reversed all prices lower, with April stabilising for much of the day at £123, but fell to close at the low under late selling, hitting some stop losses. November and February also came under some pressure, losing recent gains, reports Coley and Harper. Closing prices: April 121.00, —5.00 (high 125.00, low 121.00); Nov 65.10, —1.30 (high 67.00, low 65.80); Feb 76.30, —1.70 (high 78.40, low 75.60). Turnover: 888 (862) lots of 40 tonnes.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.00-£4.80, codlings £2.80-£3.70; shelf haddock £5.40-£6.20, medium £4.00-£4.80, small £2.00-£2.80; large plaice £3.00, medium £3.00-£4.60, best small £3.40-£3.90; skinned dogfish (medium) £11.00; lemon soles (large) £10.00, (medium) £8.50; rockfish £2.40-£2.60; saithe £2.80.

MEAT/VEGETABLES

SMITHFIELD — Pence per pound. Beef: Scottish killed sides 83.5 to 88.0; Ulster Hindquarters 98.0 to 101.0, Forequarters 62.0 to 65.0. Veal: Dutch Hinds and Ends 124.0 to 129.0. Lamb: English Small 86.0 to 95.0, Medium 88.0 to 94.0, Heavy 84.0 to 90.0; Scotch Heavy 84.0 to 88.0; Imported—New Zealand PL 66.5 to 67.5, PM 66.5 to 67.5, PX 64.0 to 65.0, YLs 64.0 to 65.0. Pork: English, under 100 lb 44.0 to 56.0, 100-120 lb 46.0 to 5.0, 120-160 lb 42.5 to 54.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 103.15p per kg lw (+0.53). UK—Sheep 221.55p per kg est dcw (—0.21). GB—Pigs 77.69p per kg lw (—1.31).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: 15-kg Navels 42/130 4.60-5.50; Cypriot: 15-kg Valencia Lates 3.80-4.50; Jaffa: 20-kg Shamouti 50 5.50, 60 5.70, 75 5.60, 88 5.60, 105 5.45, 123 5.20, 144 5.20, 168 5.15; Moroccan: 16-kg Valencia Lates 48/113 3.80-6.00. Temples—Jaffa: 4.50-6.00. Mandarins—Spania: 4.00-4.80. Topaz—Jaffa: 53/81 5.25-6.00. Tangors—Jaffa: 20-kg 70/80 7.00. Lemons—Cypriot: 10-kg 2.60-3.20; Spania: trays 5-kg 40/50 1.40-1.80; Jaffa: 16-kg 105 4.80; U.S.: 2.50. Ugli Fruits—Jamaican: 14/56 7.00-12.00. Ortaniques — Jamaican: 46/126 7.50-8.50. Apples—French: Golden Delicious 9-kg 3.40-4.20, 18-kg 6.00-8.20; Chilean: 18-kg Granny Smith 11.50-12.00; Canadian: 18-kg Red Delicious 8.50-12.00; U.S.: 18-kg Red Delicious 9.00-13.50; S. African: 18-kg Dunn's 7.00-9.00, Golden Delicious 10.00-11.00, Starking 11.00-12.00. Pears—S. African: 15-kg Williams Bon Chretien 8.50-9.00, Beurre Hardy 7.00-8.50, Packhams 8.50-9.00, Comice trays 3½-kg 3.20-3.50; Italian: Per pound Passacrassane 0.16-0.18; Dutch: Conference 12-kg 6.50-6.80. Nectarines—Chilean: 8.00-9.00; S. African: 4.00-4.60. Plums—S. African: Per pound Songold 0.65. Grapes—S. African: 5-kg Dan Ben Hannah 5.00-5.20, Alphonse 5.60, Waltham Cross 5.40, Barlinka 5.50, Sultana 7.00, Salba 5.30-5.40, New Cross 5.80; Chilean: 5-kg Thompson 5.50-6.50.

Strawberries—Israeli: 0.65; U.S.: 1.20. Melons—Colombian: 10-kg Green 4.80-6.50; S. African: White 4.50-5.50; Chilean: 15-kg Green 9.00-10.00; Brazilian: 10-kg Yellow 7.50-10.00; Guatemala: 10-kg White 4.50-5.00; Colombian: 10-kg Yellow 6.50-7.50. Pineapples—Ivory Coast: Each 0.35-1.00. Bananas—Colombian: 40-lb boxes 8.80-9.00. Avocados—Israeli: 3.00-3.80; Canary: 3.30-3.50; U.S.: 6.00; S. African: 3.50-3.80. Mangoes—Kenyan: 8/16 4.00-5.00; Venezuelan: 7.00-7.50. Tomatoes—Canary: 6-kg 3.80-5.40.

English Produce: Potatoes—Per 55 lb, White 3.20-3.80, Red 3.60-4.00, King Edwards 3.80-4.30. Mushrooms—Per pound, open 0.50-0.60, closed 0.60-0.80. Apples—Per pound, Bramley 0.20-0.30, Cox's 0.25-0.40. Pears—Per pound Conference 0.15-0.26. Cabbages—Per 30 lb bag, Celtic/Jan King 2.50-3.50. Savoys—Per 30 lb 2.50-3.00. Lettuce—Per 12, round 1.20-1.50. Onions—Per 55 lb 40/80mm 1.50-3.00. Carrots—Per 28/28 lb 1.50-2.20. Beetroots—Per 28 lb, round 1.00-1.20, long 1.20. Swedes—Per net 0.90-1.20. Rhubarb—Per pound, outdoor 0.10-0.12. Leeks—Per 10 lb 1.20-1.40. Parsnips—Per 26/28 lb 1.00-1.40. Turnips—Per 26/28 lb 1.00-1.40. Cucumbers—Per package 2.40-4.00. Greens—Per 30 lb Kent 4.00-4.50. Tomatoes—Per pound D/E 0.45-0.55. Cauliflowers—Per 18/24 Kent 4.20-4.50.

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 1 1982	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$990/1000	—5	$1045/1075
Copper			
Cash h grade	£830.25	+2.75	£853.75
3 mths	£858.25	+3	£862.75
Cash Cathode	£827.25	+2.25	£834
3 mths	£855.25	+3.5	£861.25
Gold troy oz	$326	+6	$344.25
Lead Cash	£319	—6.75	£348.25
3 mths	£329.25	—7.125	£352.25
Nickel	£3026	+102	£3624
Free mkt	245/275c	....	260/290c
Platin'mtr oz'y	£260	....	£260
Freemkt	£176.70	+4.5	£178.65
Quicksilvert	$380/390	—5	$390/405
Silver troy oz	398.20p	+2.35	412.35p
3 mths	410.80p	+1.75	426.10p
Tin Cash	£7047.5	—27.5	£7045
3 mths	£7262.5	—32.5	£7275
Tungsten22.0lb	$124.66	....	$130.00
Wolfrm 22.4lbs	$105/110	....	$120/124
Zinc Cash	£412.5	—5.5	£439.5
3 mths	£418.75	—4.875	£447.75
Producers	$860/900	....	$900
Oils			
Coconut (Phil)	$500y	—10	$500
Groundnut	‡	....	‡
Linseed Crude	‡	....	
Palm Malayan	$507.5x	....	$510
Seeds			
Copra Ph lip	$335y	....	$330
Soyabean (U.S.)	$265.5	+2.5	$254
Grains			
BarleyFut. Sep	£102.95	—0.05	£110.90
Maize	£133.5y	....	£133
Wheat Fut.July	£119.55	+0.15	£115.50
No.2HardWint	‡	....	£116.50
Other commodities			
Cocoa ship't*	£1004	+10	£1192.5
Fut. May	£993	+9.5	£1157.5
Coffee Ft' May	£1179	+18.5	£1350.5
Cotton A.index	70.65c	—0.05	69.90c
Gas Oil Apr.	$258	+1.75	$243.5
Rubber (kilo)	57.5p	+0.5	47.25p
Sugar (Raw)	£148	—1	£155
Woolt'ps 64s kl.	393p kilo	+1	390p kilo

† Unquoted. x May. y April-May. u May-June. † Per 76 lb flask. * Ghana cocoa. n Nominal. § Seller.

AMERICAN MARKETS

Wednesday's closing prices

NEW YORK, March 31.

PRECIOUS METALS rallied sharply on keen buying interest following a drop in interest rates. Coppers responded to the change in general market sentiment through technical short-covering. Profit-taking and new selling caused coffee to collapse again. Heating oil was firm up on concern about further moves by Opec against the large oil companies. Sugar eased in anticipation of a new import fee in the U.S., reported Heinold.

††Cocoa—May 1636 (1633), July 1679 (1675), Sept 1729, Dec 1782, March 1864. Sales: 1,734.

Coffee—"C" Contract: May 128.10-128.89 (132.31), July 122.50-122.70 (125.09), Sept 120.90-121.00, Dec 118.50-118.50, March 118.00-118.75, May 114.01-115.50. Sales: 2,330.

Copper—April 66.60 (66.45), May 67.50-67.60 (67.45), June 68.55, July 69.50-69.85, Sept 71.25, Dec 72.80, March 74.00, May 74.70, March 75.35, May 76.00, July 79.65, Sept 81.30, Dec 83.80, Jan 84.60. Sales: 5,500.

Cotton—No. 2: May 65.91-65.95 (65.81), July 68.10-68.18 (67.63), Oct 70.60, Dec 71.75-71.75, March 73.48, May 74.53-75.00, July 75.58-76.00. Sales: 3,475.

*Gold—April 327.5-328.0 (319.5), May 330.7 (322.9), June 334.0-334.5, Aug 342.0-342.5, Oct 349.5-350.0, Dec 358.0-358.5, Feb 365.8, April 374.5, June 383.4, Aug 392.4, Oct 401.4, Dec 410.4, Feb 419.4. Sales: 55,000.

Orange Juice—May 115.00-115.25 (116.60), July 118.00 (119.35), Sept 119.75-120.00, Nov 122.00-122.25, Jan 124.00-124.25, March 125.75, May 127.50-128.00, July 129.25-129.75.

*Platinum—April 318.0-319.0 (307.0), July 323.5-324.8 (312.3), Oct 331.2, Jan 343.7, April 356.2. Sales: 2,709.

Potatoes (round white)—Nov 78.0 78.4 (78.1), March 90.0-90.4 (89.5). Sales: 777.

*Silver—April 714.5 (703.0), May 722.0-724.0 (712.0), June 732.1, July 740.0-743.0, Sept 761.0, Dec 783.0, Jan 790.2, March 812.0, May 832.5, July 850.5, Sept 868.5, Dec 896.3, Jan 904.4. Handy and Harman bullion spot: 705.00 (708.00). Sales: 8,000.

Sugar—No. 11: May 10.98-10.99 (11.07), July 11.20-11.21 (11.34), Sept 11.47-11.49, Oct 11.65-11.67, Jan 11.88, March 12.48-12.49, May 12.69-12.73, July 12.70-12.90. Sales: 13,755.

Tin—590.00-598.00 (585.00-590.00).

CHICAGO, March 31.

Lard—Chicago loose 20.50 (20.75).

††Chicago Imm Gold—June 334.5-334.3 (326.3), Sept 345.5 (337.8), Dec 357.9, March 370.1, June 382.6, Sept 395.4.

Live Cattle—April 65.50-65.65 (65.25), June 68.45-66.40 (66.67), Aug 63.40-63.25, Oct 61.85-62.00, Dec 62.40-62.30, Feb 62.30, April 62.50.

Live Hogs—April 51.00-51.05 (50.62), June 55.55-55.40 (55.40), July 56.15-56.25, Aug 55.45-55.50, Oct 54.00-4.35, Dec 54.85-55.00, Feb 55.05, April 56.5.

††Maize—May 274-274¾ (274½), July 284-284½ (284), Sept 288¾, Dec 294¾, March 307¾, May 316.

Pork Bellies—May 75.30-75.00 (75.30), July 75.35-75.00 (75.55), Aug 72.37-72.00, Feb 71.80-71.55, March 72.35, May 72.60, July 73.50.

††Soyabeans—May 640¼-639¾ (633½), July 648-647 (641¼), Aug 651½, Sept 652½-653, Nov 659½-657¼, Jan 668, March 684.

††Soyabean Meal—May 187.0-188.5 (183.4), July 189.0-190.0 (185.7), Aug 190.0, Sept 191.5, Oct 191.4-192.0, Dec 194.5-195.0, Jan 197.0-198.0.

Soyabean Oil — May 18.86-18.90 (18.78), July 19.43 (19.33), Aug 19.70, Sept 19.90, Oct 20.10, Dec 20.38, Jan 20.50-20.60, March 20.75-20.85.

††Wheat—May 370¾-370 (368¼), July 375¾-376 (374¾), Sept 385¾-386, Dec 405-405¾, March 418¾-420, May 425½.

†Barley—May 123.30 (121.80), May 125.30 (126.00), July 125.80, Oct 127.00, Dec 127.00.

†Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 223.44 (224.18).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ‡ Cents per troy ounce. †† Cents per 56-lb bushel. ‡ Cents per 60-lb bushel. || $ per short ton (2,000 lb). § SCan. per metric ton. §§ $ per 1,000 sq ft. † Cents per dozen. ††† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, April 1.

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent April 1-20 204. U.S. No Two Red Winter April 167. U.S. No Three Amber Durum April/May 184, May 183.50, June 183, July 184. U.S. No Two Northern Spring 14 per cent afloat 190, April/May 15 189, May 187, June 188, July 186. Canadian Western Red Spring April/May 203.

Maize—(U.S. $ per tonne): U.S. No Three Yellow afloat 133.50, April 131.50, May 130.50, June 130.50, July/Sept 131, Oct/Dec 132, Jan/Mar 133 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports April 260.50, May 260, June 260.50, July 261.50, Aug 262.50, Sept 263, Oct 259.50, Nov 259.50, Dec 263.50, Jan 269, Feb 273, Mar 276 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent protein afloat 249/251/252 (arrived/unloading), Mar 228/229, April 229.50 up to 229.50 traded; afloat 242.50, Mar 228.50, April 229.50, May 228, April/Sept 228.50, Nov/Mar 239 sellers. Brazil Pellets afloat 246.25, May/Sept 239.50, May/Sept 229 sellers.

PARIS, April 1.

Cocoa—(FFr per 100 kilos): May 1118/1120, July 1141/1160, Sept 1200/1220, Dec 1230/1255, March 1270/1290, May 1295/1320, July 1315 bid. Sales at call: nil.

Sugar—(FFr per tonne): May 1873/1876, July 1875/1890, Aug 1901/1904, Oct 1878/1885, Nov 1875/1885, Dec 1900/1905, March 1985/1995, May 2025/2045. Sales at call: 1.

INDICES

FINANCIAL TIMES

Mar. 31	Mar. 30	Month ago	Year ago
242.40	244.61	242.14	261.25

(Base: July 1, 1952=100).

MOODY'S

Mar. 31	Mar. 30	Month ago	Year ago
987.5	986.6	992.9	1129.3

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 31	Mar. 30	Month ago	Year ago
Spot	125.84	124.17	125.96	418.02
Futr's	128.86	128.59	131.82	428.95

(Base: Dec 31 1974=100).

REUTERS

April 1	Mar. 31	M'nth ago	Yearago
1596.8	1599.7	1584.4	1695.7

(Base: September 18, 1931=100).

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LONDON STOCK EXCHANGE

Leading equities close below best after quieter trade Gilt-edged harder-Revival in Golds-Cawoods feature

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar 15	Mar 25	Mar 26	Apr 5
Mar 29	Apr 15	Apr 16	Apr 26
Apr 19	Apr 28	Apr 29	May 10

* "New time" dealings may take place from 9.30 am two business days earlier.

Stock markets made further progress yesterday, but with much less conviction than on Wednesday. Business was on a reduced scale, and was confined *chiefly to the first couple of* hours' trade. "Bed and breakfast" deals again figured largely ahead of the financial year-end next Monday.

Gilt-edged, after having moved erratically and within narrow limits, closed with gains to ⅜ and occasionally more throughout the list. Exception-1997 put on ¾ to 106½. Longer-dated short-coupon stocks hardened ⅛ or ¼ more, but Treasury 3 per cent 1985 *reacted ¼ to 80¼.*

The Government Securities index rose 0.24 to 69.17, a three-day rally of 0.94.

Equity shares turned down after a firm start as *buying in*terest dwindled and a little professional profit-taking set in. Following the previous two-day rise of over 13 points, the FT 30-share index improved 4.3 more at the day's best at 11 am. But the rise was gradually whittled away to a net 1.6 at the *close of 570.1: this is its highest* since February 12 and little short of January's peak for the year so far of 579.8.

Engineering issues were still drawing encouragement from Babcock International's interim results with recent contract awards in the industry also helping sentiment. Secondary Electricals attracted buyers and Cement shares rallied after Wednesday's weakness. Among Financials, Banks stayed depressed on tax fears.

Elsewhere, interest centred on isolated stocks on company statements, issued or pending, the *feature of the day being* provided by Cawoods, up 62 at 270p on a bid approach.

Banks down again

Reflecting continuing fears about the imposition of tougher tax measures, the major clearing trended lower. Barclays lost 6 further to 442p, while Lloyds, 435p, and Natwest, 415p, relinquished 3 apiece. Midland showed some resilience in firming a few pence to 328p. Elsewhere, Discount Houses eased in places: Alexanders dipped 3 to 215p and Union 5 to 440p, after 430p. In merchant banks, *Hambros gained 5 to 140p.*

Further consideration of the excellent preliminary figures helped Legal and General to rise 5 for a two-day jump of 18 to 251p. GRE, however, gave up 4 to 300p after comment on the results and Commercial Union softened 2 to 137p in sympathy.

All three market newcomers made uninspiring debuts yesterday: aircraft cabin designers and manufacturers AIM Group, offered at 140p, opened at 145p and closed at 145p following a disappointing turnover, while property concern Standard Securities opened at 141p and closed at 140p compared with the placing price of 136p. Jebsens Drilling opened and closed *at 275p following introduction* to the Unlisted Securities Market.

Dealings in Attwoods resumed following the acquisition *of* Maybank Enterprises, a gravel and waste disposal concern; the shares opened at 83p and touched 84p before settling *at 82p compared with the sus*pension price of 95p.

Breweries succumbed to a late obut of selling and most lost the gains established on Wednesday. Bass were particularly dull at 225p, down 6.

Dull on Wednesday on the possibility of cheap cement imports, leading cement issues staged a useful rally. Blue Circle, at 460p, recovered 10 of the previous day's fall of 14, while Rugby Portland improved 2 to 88p. Elsewhere, Redland hardened a couple of pence to 186p following the sale of two subsidiaries for £5.4m cash. *John Finlan, a good market re*cently, shed 8 to 148p, the Board's cautious statement on current trading outweighing the satisfactory preliminary profits. Derek Crouch shed 4 to 101p following the chairman's statement at the annual meeting. Bellway and William Leech *added 4 apiece to 93p and 95p* respectively; the two companies were involved in abortive merger talks last year.

ICI firmed 6 to 324p following the new chairman's statement on prospects.

Acsis slump

Mail-orders, volatile earlier in the week following disappointing figures from Freemans, took similar news from Grattan in their stride. Grattan's preliminary earnings fell some £½m below market expectations and, despite the slightly bearish *comments on current trading,* the shares only eased a couple of pence to 104p. Jewellers turned dull following the slump in interim profits reported by Acsis which were subsequently marked down 14 to 55p. In contrast, further support was forthcoming for George Oliver A, 15 up at 188p, while Home Charm rose 6 to 169p in belated response to a favourable Press mention.

The Electrical leaders were featured by fresh demand for Thorn EMI which touched 448p in active trading before closing a net 7 up at 442p. GEC hardened a couple of pence to 827p but Plessey, at 380p, lost 5 of the previous day's gain of 8. Elsewhere speculative buying fuelled by talk of a bid from BET helped Rediffusion to advance 13 for a two-day jump of 20 to 253p, while speculative demand in a thin market prompted a gain of 11 to 115p in Sound Diffusion and a rally of 12 to 65p, after 70p, in recently dull Quest Automation. Still reflecting the £49m Brazilian weapon control system contract, Ferranti put on 15 more to 680p, while improvements of 10 and 11 respectively were seen in Webber, 110p, and Unitech, 253p. First Castle Securities appreciated 5 to 59½p but Amstrad lost that much to 230p following details of the £2.5m expansion programme. United Scientific closed 4 dearer at 338p; *the price in yesterday's* issue was incorrect.

Babcock International rose 6, making a two-day jump of 15 to 112p on the better-than-expected annual results. Northern Engineering Industries put on 4 to 90p on reports that the group is poised to win at least an £80m share of a nuclear power station contract in Taiwan. Other Engineering majors trended quietly firm with John Brown, 59p, Hawker, 308p, Tubes, 138p, and Vickers, 165p, all closing a couple of pence dearer. Elsewhere, Baker Perkins revived with a gain of 6 to 105p and Davy Corporation appreciated 3 to 144p as did Lake and Elliott, to 50p. Supported up to 65p ahead of the *interim statement,* Burgess Products met profit-taking after the announcement of more-than-doubled first-half earnings to finish a net 7 down at 55p.

Among leading Foods, Ranks Hovis McDougall attracted speculative support and touched 62p before closing a net 2 dearer at 61p. Secondary issues had Hillards 8 up at 178p and Avana 9 to the good at 262p.

After Wednesday's gain of 8 awaiting the preliminary results, Ladbroke reacted to 160p on profits below market estimate before rallying late to close just 2 cheaper on balance at 167p; the warrants finished a penny off at 117p, after 112p. Elsewhere in Hotels and Caterers, Reo Stakis put on 4½ to 61p on revived speculative interest.

Cawoods jump

Cawoods highlighted miscellaneous industrials with a leap of 62 to 270p on news of a bid approach from an unnamed concern. A 74 per cent jump in *annual profits* and a *maintained* dividend pleased Bridon's supporters and the shares touched 84p before closing 8 up at 82p. Johnson Group Cleaners gained *10 to 199p on reports of a* broker's favourable circular. Marked up late on Tuesday following news of the £6m contract deal with Volvo International Development Corporation, Barget firmed 10 further to 160p. ICL attracted support at 51p, up 3. Continuing to reflect recent poor profit statements, *Low and Bonar* fell 7 afresh to 118p and Cape Industries softened 2 more to 113p. Profit-taking in the absence of the rumoured bid left Pauls and Whites 6 down at *210p.* Glaxo stood out among the leaders, rising 10 more to 536p, after 538p, as buyers continued to show an interest ahead of Monday's interim announcement. Beecham hardened a couple of pence to 240p in sympathy.

LWT A gained 6 to 159p in response to the interim results, while Trident Television met renewed support and added 3½ to 100p. Elsewhere in the Leisure sector, D. M. Lancaster closed a penny cheaper at 27p, after 30p, following the agreed 27½p per share cash bid from Intasun, unchanged at 150p. Glasgow Pavilion dipped to 27p before closing 4 down at 30p; the company recently decided not to proceed with a rights issue.

Appleyard, which announced disappointing preliminary results earlier in the week, gave up 6 more to 60p following the announcement that Suter Electrical, 3 dearer at 59p, has sold its near-25 per cent stake to Mercantile Credit. Elsewhere in Motors, Flight Refuelling added 3 for a two-day gain of 15 to 253p, *while continuing recovery* hopes lifted Jonas Woodhead 2 more to 39p.

Investment support lifted Associated Newspapers 11 to 201p, while Daily Mail A closed 6 to the good at 401p. Elsewhere, recent dawn raid subject Richard Clay added 2 more to 78p. *Federated Land* shed 4 to 142p following M. P. Kent's letter to Federated shareholders urging rejection of the proposed take-over of Estates and General, 3 up at 67p; Kent held at 67p.

Elsewhere in the Property sector, C. H. Beazer were quoted at 146p ex rights with the new nil-paid shares at 20p premium. Hardanger Property, dealt in the Unlisted Securities Market, put on 10 to 123p, while Trust Securities added 3 to 365p following the preliminary results.

Turnover in leading Oils remained at a reasonable level and the undertone stayed firm, but gains were restricted to a few pence. Secondary issues displayed several good features, Lasmo rising 13 to 323p and Cambridge Petroleum 30 to 255p, after 260p.

The increased turnover in gilt-edged following last month's Budget helped to lift Stockjobbers Akroyd and Smithers 13 to 193p. Elsewhere in Financials, money broker Mercantile House reacted on profit-taking and *closed 18 down at 430p.*

Textiles featured Carpets International which advanced 3 to 22p following the sharply reduced full-year loss.

Among Tobaccos, Imperial attracted a useful two-way trade before ending a net penny lower at 93p. Bats, on the other hand, continued to draw strength from the success of the Marshall Field bid and rose 5 more to 423p, after 425p.

Golds gain ground

South African mining issues were again boosted by the further rise in the Financial Rand.

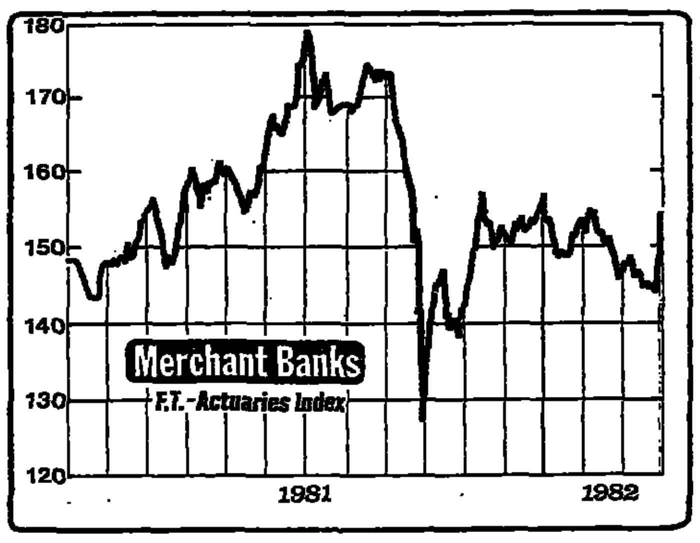
The strength of the latter coupled with minor buying interest prompted by the firmness of the bullion price encouraged sizeable gains in Golds where heavyweights showed rises ranging to around a point, as in Randfontein, £23½, Kloof, £12⅞, *and Western Holdings, £19⅞.*

In the medium and lower-priced stocks, gains of 27 were common to East Rand Proprietary and Unisel at 476p and 448p respectively.

The Gold Mines index moved up 8.7 to 255.4, while the bullion price closed $6 higher at $326 an ounce.

Financials were equally firm, with Gold Fields of South Africa outstanding and finally £1⅛ better at £27⅛.

A further improvement in activity resulted in 2,083 deals being arranged in Traded Options—1,489 calls and 594 puts. Courtaulds remained to the fore and recorded 376 calls, with 259 struck in the July 90s. Imperial were also in demand and attracted 470 calls, with the May 90s and August 100s accounting for 147 and 112 deals respectively.



FINANCIAL TIMES STOCK INDICES

	April 1	Mar. 31	Mar. 30	Mar. 29	Mar. 26	Mar. 25	A year ago
Government Secs	69.17	68.93	68.30	68.23	68.69	68.91	70.10
Fixed Interest	69.64	69.59	69.38	69.39	69.56	69.66	71.59
Industrial Ord.	570.1	568.5	562.3	555.1	557.7	559.9	541.9
Gold Mines	255.4	246.7	246.8	236.4	237.4	240.7	345.2
Ord. Div. Yield	5.52	5.54	5.61	5.67	5.63	5.61	6.04
Earnings, Yld.% (full)	11.03	11.07	11.19	11.31	11.26	10.75	12.07
P/E Ratio (net) (*)	11.41	11.37	11.24	11.12	11.19	11.85	10.40
Total bargains	27,345	24,597	23,039	21,013	22,902	23,047	37,629
Equity turnover £m.	—	171.57	135.06	119.10	163.85	141.33	222.30
Equity bargains	—	22,816	22,468	18,337	19,122	20,162	35,553

10 am 571.6. 11 am 572.8. Noon 571.8. 1 pm 570.5. 2 pm 570.6. 3 pm 570.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.41.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.55 (23/3)	61.89 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.66 (25/3)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	579.8 (29/1)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	209.2 (9/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 31	Mar. 30
—Daily		
Gilt Edged Bargains	161.9	171.7
Equities Bargains	147.8	145.5
Value	346.8	275.0
5-day Avrge.		
Gilt-Edged Bargains	174.5	182.8
Equities Bargains	133.3	130.5
Value	291.1	303.8

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	83	3	7
Corpns. Dom. & Foreign Bonds	7	3	65
Industrials	280	161	802
Financial & Props.	94	56	364
Oils	22	18	67
Plantations	5	2	16
Mines	70	7	83
Others	41	55	53
Totals	602	305	1,557

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 22	April 2	July 1	July 12
April 5	April 26	July 15	July 26
April 26	May 7	July 29	Aug 9

For rate indications see end of Share Information Service

Stocks to attract money for the call included First National Finance, Dorada, Woodside, ICL, Turner & Newall, Renold, Chloride, Tozer Kemsley and Millbourn, NCC, Leisure Industries, Trident TV A, Thomas Tilling and B.S.G. International. Puts were taken out in Sound Diffusion and Tozer Kemsley and Millbourn, while double options were arranged in ICL, Gomme, First National Finance and Tozer Kemsley and Millbourn.

RECENT ISSUES
EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or –	Div.	Times covered	Gross yield	P/E ratio
140	F.P.	—	146	142	AIM Group 10p	145		[illegible]			
142	F.P.	26.3	212	186	Amersham	206	–1	[illegible]			
‡‡	F.P.	—	84	82	Attwoods	82					
15	F.P.	15.4	25	19	Cambrian & Gen. 7½p	25					
102	F.P.	—	135	126	Dew (George)	132	–1	[illegible]			
80	F.P.	—	370	315	Eldridge Pope 'A'	370		[illegible]			
—	F.P.	—	25	21	Ficel Holdings 20p	25					
—	F.P.	—	38	27	Greenfriar Warrants	38					
99	F.P.	5.3	93	88	Imm. Bus. Sys. 10p	92					
—	F.P.	—	275	275	Jebsens Drilling	275					
120	F.P.	7.5	133	127	Leisure Inds.	132		[illegible]			
—	F.P.	—	53	37	Malaysian Tin 5p	50					
130	F.P.	16.4	170	137	Oceonics 10p	165		[illegible]			
—	F.P.	—	30	30	Osprey Assets	30					
—	F.P.	—	41	38	P. H. Industries	39					
136	F.P.	—	141	139	Standard Secs.	140					
46	F.P.	19.2	63	47	York Mount	60		[illegible]			
‡‡	F.P.	—	80	80	Zambia Cons Cpr 'B'	80					

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or –
100	£25	30/7	35¾	25½	Barclays 16% Ln. Stk.	34½	
100	F.P.	14/4	116	111	Boddingtons Brew 9½% Cnv. Ln. 2000-05	114	+2
100	£10	24/6	10¼	10½	Bristol Water 9% Pref.	10	
100	F.P.	22/5	103	98	Hunting Pet. 10% Cnv. Ln. 1997	99	+1
99.552	£50	—	59½	52¼	Int. Bank 14% Ln. 1987	53¾	
99	£10	2/4	11½	10¼	Lee Valley 9% Red. Prf. 1989	11½	
100	F.P.	—	100½	100	Nationwide Bdg. Soc. 14⅝% 4/4/83	100	
100	F.P.	—	100	100	Do. 14⅞% 4/4/83	100	
‡‡	F.P.	16.3	102½	100	Ropners 11½% Cum. Prf.	102	
98.53	£20	20/5	25½	19¼	Trans-Canad Pipelines 16½% Notes 1997	25	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or –
125	Nil	—	21pm	20pm	Beazer (C. H.) 10p	20pm	
70	F.P.	15.3	19.4	105	73	Civos Petroleum	100	[illegible]
40	F.P.	8.3	23.4	52	40	Energy Finance 10p	49	
30	F.P.	29.3	10.5	57	50	First Castle 10p	59	+5
160	F.P.	22.3	29.4	186	164	Hunting Pet. Services	186	+2
A$2.25	Nil	—	26pm	12pm	M.I.M.	16pm	–1
6	Nil	—	1pm	1pm	Platinum 5p	1pm	
98	Nil	—	8pm	6pm	Riley Leisure	6pm	
74	Nil	8.4	5.5	27pm	24pm	St. George's Grp. 10p	27pm	+1
110	F.P.	23.3	23.4	167	134	Security Centres	165	
11	Nil	8.4	27.4	5pm	4pm	Show & Marvin 10p	5pm	+1
10	F.P.	24.3	23.4	12	11	Sumo 10p	11	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ‡ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). †† Unit comprising five ordinary and three Cap shares.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Barclays Expl	295	+15	Cons Gold Fields	586	+18
Blue Circle	460	+10	Ladbroke	167	–2
Bowater	339	–3	Legal and General	251	+5
Bridon	82	+8	Quest Automation	65	+12
BP	292	+4	Rediffusion	253	+13
Cawoods	270	+62	Thorn EMI	442	+7

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of changes	Wednesday's closing price pence	Day's change	Stock	No. of changes	Wednesday's closing price pence	Day's change
Shell Trans	25	380	+4	De Beers Defd	19	257	+7
GEC	24	825	+7	Prudential	19	250	+11
BAT Inds	23	418	+13	Unilever	19	585	+10
BP	21	288	—	Babcock Intl	18	106	+9
Legal and Gen	21	246	+14	Glaxo	18	526	+10
Burmah Oil	20	123	+4	GUS A	18	520	+8
Beecham	19	238	+5	Tricentrol	18	304	+6

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (93)

BRITISH FUNDS (12)
Treas. 8¼pc '82 · Treas. 3pc '87
Exch. 8¾pc '83 · Trnspt. 3pc '78-88
Exch. 8¼pc '83 · Treas. 6¼pc '87-90
F'ding 5½pc '82-84 · Funding 6pc 1993
Exch. 12½pc '85 · Consols 4pc
Treas. 3pc '86 · Treas. 3pc '66 Aft.

AMERICANS (1)
Cons. Food

CANADIANS (2)
Bell Canada · Imperial Oil

BANKS (1)
First Nat.

BEERS (3)
Allied-Lyons · Do. N.V.
Young Brew. A

BUILDINGS (8)
BPB Inds. · Gleeson (M. J.)
Brownlee · McLaughlin & H'rsey
Bryan · Warrington
Feb Int. A · Wilson (Connolly)

STORES (4)
Acsis Jewellery · Harris Queensway
Burton · Oliver (G.) A

ELECTRICALS (12)
Bowthorpe · Philips Fin. 5¼pc
Cable & Wireless · Rediffusion
Cambridge Elec. · Sound Diffusion
Crystalate · Unitech
Farnell Elec. · Webber
Fidelity Radio

ENGINEERING (11)
Anderson S'clyde · Hopkinsons
Babcock Intl. · Northern Eng.
Baker Perkins · Wolseley Hughes
Bullough · Simon Engineering
Burgess Prods. · N.E.I.

FOODS (3)
Cadbury Schweppes · Hillards
Avana

HOTELS (2)
Stakis (Reo) · Trusthouse Forte

INDUSTRIALS (20)
Boots · Hepworth Ceramic
Bridon · Hestair
Cawoods · ICL
Christies Int. · London & Nrthn.
Chubb · Office & Elec.
Coalite · Photo-Me Intl.
Cope Allman · Rockware
Hanson Tst. 6½pc · Wolseley-Hughes
Harris

INSURANCE (1)
Legal & Gen.

LEISURE (4)
Assoc. Leisure · LWT A
Horizon · Trident TV A

MOTORS (2)
E.R.F. · Adams & Gibbon

NEWSPAPERS (3)
Assoc. Book Pubs. · Daily Mail A
Assoc. News

PAPER (1)
Hardanger Prop.

PROPERTY (2)
Hardanger Prop. · Trust Secs.

TEXTILES (1)
Atkins Bros.

TRUSTS (6)
Bremar Trust · Alvord & Smithers
Trislevest Cap. · Park Place Inv.

OIL & GAS (1)
CCP North Sea

MINES (1)
Burma Mines

NEW LOWS (37)

BRITISH FUNDS (1)
Treas. Var. '84

AMERICANS (3)
Rep. N.Y. Corp. · Simplicity Pattern

CANADIANS (2)
Hawker Sid. Canada · Trans. Can. Pipe

BANKS (2)
Alexanders Discount · Grindlays

BUILDINGS (3)
Burnett & H'shire · Phoenix Timber
Crouch (D.)

STORES (1)
Helene of London

ELECTRICALS (4)
Derritron · Norsk Data
Forward Tech. · Pifco A
Tecalemit

ENGINEERING (1)

FOODS (1)
Unigate

INDUSTRIALS (7)
Cape Inds. · Platignum
Celestion · Tilling (T.)
Low & Bonar · Triefus
Melamec Jentique

MOTORS (1)
Appleyard

SHIPPING (1)
Hunting Gibson

TRUSTS (5)
Fulcrum Cap. · Investment Co.
Inv. in Success · Malcolm Inv.
W. Coast & Texas · Gill & Duffus

OIL & GAS (2)
Energy Capital · NCC Energy

OVERSEAS TRADERS (1)

MINES (3)
Bishopsgate · Peko-Wallsend
Nickelore

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, March 31, 1982. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.06
Albania	Lek	5.6687
Algeria	Dinar	4.1876
Andorra	Fr. Franc	6.2465
	Sp. Peseta	106.76
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.7025
Argentina	Peso (f) (2)	11575
Australia	Dollar	0.9517
Austria	Schilling	16.87
Azores	Port. Escudo	71.80
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3768
Balearic Is.	Sp. Peseta	106.76
Bangladesh	Taka	21.43
Barbados	Dollar	2.01
Belgium	Franc (O)	45.56
	Franc (F)	48.25
Belize	Dollar	2.00
Benin	C.F.A. Franc	312.325
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.3809
Bolivia	Peso	44.50
Botswana	Pula	0.9397
Brazil	Cruzeiro	147.84
Brunei	Dollar	2.129
Bulgaria	Lev	0.948
Burma	Kyat	6.4816
Burundi	Franc	90.00
Cameroon Rp	C.F.A. Franc	312.325
Canada	Dollar	1.229
Canary Is.	Sp. Peseta	106.76
Cape Verde Is.	Escudo	36.51
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	312.325
Chad	C.F.A. Franc	312.325
Chile	Peso	39.00
China	Renminbi Yuan	1.8675
Colombia	Peso (O)	61.13
Comoros	C.F.A. Franc	312.325
Congo (Brazzaville)	C.F.A. Franc	312.325
Costa Rica	Colon (O)	8.60
Cuba	Peso	[illegible]
Cyprus	Pound	[illegible]
Czechoslovakia	Koruna (O)	[illegible]
Denmark	Krone	8.236
Djibouti Rp. of	Franc	176.50
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre (O)	25.00
	Sucre (F)	40.50
Egypt	Pound (O)	1.4493
	Pound (1)	1.2168
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	213.56
Ethiopia	Birr (O)	2.0374
Faeroe Is.	Dan. Krone	8.236
Falkland Is.	Pound*	1.7817
Fiji	Dollar	[illegible]
Finland	Markka	4.519
France	Franc	6.2465
Fr. Cty in Af.	C.F.A. Franc	312.325
Fr. Guiana	Franc	6.2465
Fr. Pac. Is.	C.F.P. Franc	107.762
Gabon	C.F.A. Franc	312.325
Gambia	Dalasi	2.2451
Germany (E)	Ostmark (O)	2.4155
Germany (W)	Mark	2.4155
Ghana	Cedi	2.75
Gibraltar	Pound*	1.7817
Greece	Drachma	62.90
Greenland	Dan. Krone	8.236
Grenada	E. Caribbean $	2.7025
Guadeloupe	Franc	6.2465
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea	Syli	[illegible]
Guinea Bissau	Peso	[illegible]
Guyana	Dollar	3.0014
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	5.835
Hungary	Forint	34.4397
Iceland	Krona	10.211
India	Rupee	9.3809
Indonesia	Rupiah	[illegible]
Iran	Rial (O)	[illegible]
Iraq	Dinar	0.2953
Irish Rep	Punt*	1.4346
Israel	Shekel	[illegible]
Italy	Lira	1329.75
Ivory Coast	C.F.A. Franc	312.325
Jamaica	Dollar	1.7834
Japan	Yen	247.15
Jordan	Dinar	[illegible]
Kampuchea	Riel	n.a.
Kenya	Shilling	10.7291
Kiribati	Aust. Dollar	0.9517
Korea (Nth)	Won	0.94
Korea (Sth)	Won	716.30
Kuwait	Dinar	0.2861
Lao P'ple D. Rep	Kip	10.00
Lebanon	Pound	[illegible]
Lesotho	Loti	1.0549
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenstein	Sw. Franc	1.937
Luxembourg	Lux Franc	45.56
Macao	Pataca	6.0655
Madagascar D.R.	Malg Franc	312.325
Madeira	Port. Escudo	71.80
Malawi	Kwacha	0.9437
Malaysia	Ringgit	2.335
Maldive Is.	Rufiyaa (O)	[illegible]
	Rufiyaa (M)	[illegible]
Mali Rep.	Franc	624.65
Malta	Pound*	[illegible]
Martinique	Franc	6.2465
Mauritania	Ouguiya	49.30
Mauritius	Rupee	11.2312
Mexico	Peso	[illegible]
Miquelon	Franc	6.2465
Monaco	Fr. Franc	6.2465
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	5.8674
Mozambique	Metica	[illegible]
Namibia	S.A. Rand	1.0549
Nauru	Aust. Dollar	0.9517
Nepal	Rupee	13.20
Netherlands	Guilder	2.6505
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.3021
Nicaragua	Cordoba	10.050
Niger Rp	C.F.A. Franc	312.325
Nigeria	Naira (O)	0.669
Norway	Krone	6.119
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	[illegible]
Panama	Balboa	1.00
Papua N.G.	Kina	0.7281
Paraguay	Guarani	126.00
Peru	Sol	572.35
Philippines	Peso	8.338
Pitcairn Is.	N.Z. Dollar	1.3021
Poland	Zloty	80.00
Portugal	Escudo	71.80
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	6.2465
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	1.7817
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr. Franc	6.2465
St. Vincent	E. Caribbean $	2.7025
Salvador El	Colon	2.50
Samoa (Western)	Tala	[illegible]
Samoa (Am)	U.S. $	1.00
San Marino	It. Lira	[illegible]
Sao Tome & Principe DR	Dobra	40.6569
Saudi Arabia	Riyal	3.4205
Senegal	C.F.A. Franc	312.325
Seychelles	Rupee	7.4752
Sierra Leone	Leone	1.2262
Singapore	Dollar	2.1239
Solomon Is.	Dollar	0.92
Somali Rep.	Shilling (3)	6.35
	Shilling (4)	12.46
South Africa	Rand	1.0549
Spain	Peseta	106.76
Span. Ports in N. Africa	Sp. Peseta	106.76
Sri Lanka	Rupee	20.70
Sudan Rep.	Pound (1)	1.1111
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.0549
Sweden	Krona	5.8445
Switzerland	Franc	1.937
Syria	Pound	3.9252
Taiwan	Dollar	[illegible]
Tanzania	Shilling	[illegible]
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	312.325
Tonga Is.	Pa'anga	0.9517
Trinidad & Tobago	Dollar	2.40
Tunisia	Dinar	0.5673
Turkey	Lira	[illegible]
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.9517
Uganda	Shilling	[illegible]
Utd. A'b. Emir.	Dirham	3.6727
Utd. Kingdom	Pound Sterling*	1.7817
Upper Volta	C.F.A. Franc	312.325
Uruguay	Peso	[illegible]
U.S.S.R.	Rouble	0.7606
Vanuatu	Vatu	[illegible]
	Aust. Dollar	0.9517
Vatican	Lira	1322.75
Venezuela	Bolivar	4.2986
Vietnam	Dong (O)	2.16
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.57
Yemen PDR	Dinar	0.3415
Yugoslavia	Dinar	45.757
Zaire Rp.	Zaire	5.7047
Zambia	Kwacha	[illegible]
Zimbabwe	Dollar	0.7407

n.a. Not available. (n) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Egypt—Floating rate fixed daily by Central Bank of Egypt for importers, Exporters, Tourists. (2) Argentina—Commercial and Financial rate combined 30/12/81. (3) Somali: Parallel exchange rates introduced July 1—for essential imports. (4) Somali: Exports and Non-Essential imports and Transfers.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries *and the Faculty of Actuaries*

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs April 1 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Mar 31 Index No.	Tue Mar 30 Index No.	Mon Mar 29 Index No.	Fri Mar 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)●	372.46	+0.5	9.77	4.27	12.68	370.52	366.73	363.94	366.12	347.05
2	Building Materials (23)	330.88	+1.1	13.39	5.19	8.96	327.18	329.64	329.40	330.66	310.05
3	Contracting, Construction (28)	607.20	—	14.42	4.75	8.20	607.03	605.88	607.31	610.06	579.79
4	Electricals (31)	1294.21	+0.5	7.22	2.29	17.71	1288.40	1271.26	1258.90	1265.09	1104.98
5	Engineering Contractors (9)	505.96	+2.0	12.76	5.80	9.13	496.11	492.51	493.41	498.57	456.56
6	Mechanical Engineering (67)●	196.97	+0.5	11.76	5.75	10.37	196.05	191.88	188.79	189.39	211.26
8	Metals and Metal Forming (11)	163.22	—	9.76	7.26	13.20	163.20	159.95	158.21	161.08	160.78
9	Motors (21)	96.55	—	2.60	6.88	—	96.58	95.98	95.70	96.24	100.09
10	Other Industrial Materials (18)	375.71	+0.4	9.71	5.63	12.47	374.03	371.23	369.21	373.54	359.55
21	CONSUMER GROUP (201)●	304.20	+0.1	12.14	5.49	10.10	303.83	299.37	296.55	296.40	270.40
22	Brewers and Distillers (21)	304.48	–1.2	15.53	6.41	7.77	308.27	303.89	299.88	299.23	292.81
25	Food Manufacturing (22)	278.29	+0.2	15.28	6.51	7.87	277.60	274.10	271.51	271.72	253.41
26	Food Retailing (14)	610.23	+0.5	8.82	3.28	13.84	607.35	605.79	602.11	603.70	538.43
27	Health and Household Products (8)	399.06	+0.9	8.27	4.00	14.13	395.52	388.65	382.50	383.70	294.84
29	Leisure (24)	459.13	+1.0	9.80	4.94	12.62	454.55	442.87	438.52	440.85	407.69
32	Newspapers, Publishing (12)	532.25	+1.1	10.67	5.88	12.54	526.71	523.16	521.37	525.77	490.30
33	Packaging and Paper (14)	147.54	–0.3	13.33	7.20	8.97	147.95	145.79	146.01	147.37	140.78
34	Stores (45)	283.10	—	10.05	4.74	13.33	283.07	279.36	277.12	275.59	269.88
35	Textiles (23)	176.09	—	9.62	5.69	13.41	176.18	175.32	172.83	172.72	152.34
36	Tobaccos (3)●	316.14	+0.5	19.38	8.25	5.88	314.54	305.93	304.65	303.16	222.80
39	Other Consumer (15)	297.11	+0.3	1.52	5.32	—	296.35	294.90	291.83	294.06	274.42
41	OTHER GROUPS (78)	259.67	+0.9	13.02	5.99	9.25	257.45	254.88	253.32	253.91	226.99
42	Chemicals (16)	338.96	+1.0	13.25	6.82	9.01	335.63	330.42	328.80	329.33	270.26
44	Office Equipment (4)	127.64	+0.6	12.61	6.73	9.65	126.85	127.24	126.15	125.24	119.62
45	Shipping and Transport (13)	580.17	–0.6	18.91	6.37	6.27	583.96	578.02	575.88	578.08	615.97
46	Miscellaneous (45)	331.42	+1.2	11.19	4.94	10.94	327.44	325.27	322.93	324.16	293.47
49	INDUSTRIAL GROUP (487)●	321.88	+0.4	11.40	5.11	10.76	320.69	316.71	314.08	314.79	290.49
51	Oils (13)	687.91	+1.0	18.16	8.42	6.43	681.00	676.22	662.22	692.64	814.86
59	500 SHARE INDEX●	351.73	+0.5	12.45	5.63	9.74	350.09	346.04	342.49	345.58	332.26
61	FINANCIAL GROUP (117)	259.12	–0.1	—	6.26	—	259.41	257.78	256.31	257.98	260.32
62	Banks (6)	270.11	–0.6	39.03	7.91	2.80	271.62	274.76	272.62	274.23	239.57
63	Discount Houses (9)	231.39	–0.3	—	9.37	—	232.06	232.06	236.90	236.90	307.34
65	Insurance (Life) (9)	269.68	+0.3	—	6.56	—	268.94	260.69	258.47	259.55	274.72
66	Insurance (Composite) (10)	163.61	–0.4	—	8.41	—	164.31	163.06	163.34	166.81	171.62
67	Insurance Brokers (7)	481.07	–0.8	10.95	5.18	12.45	484.75	476.51	470.35	468.85	356.97
68	Merchant Banks (12)	154.78	+0.8	—	5.42	—	153.61	149.28	148.04	145.63	159.43
69	Property (49)	460.95	+0.2	4.69	3.24	28.44	460.26	457.00	453.86	455.92	517.77
70	Other Financial (15)	180.92	+0.6	18.15	6.32	6.60	179.90	180.69	179.34	179.26	174.13
71	Investment Trusts (112)	299.49	+0.3	—	5.38	—	298.53	296.47	295.53	295.84	302.68
81	Mining Finance (4)	207.35	+1.2	16.34	6.86	7.43	204.98	204.30	203.33	204.68	238.87
91	Overseas Traders (17)	384.51	+0.3	13.62	8.28	8.96	383.44	381.88	380.61	381.64	455.10
99	ALL-SHARE INDEX (750)●	327.81	+0.4	—	5.79	—	326.60	323.31	320.46	323.00	317.81

FIXED INTEREST

	PRICE INDICES	Thurs April 1	Day's change %	Wed Mar 31	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	111.31	+0.23	111.06	—	2.89
2	5-15 years	111.39	+0.40	110.94	—	3.43
3	Over 15 years	115.84	+0.40	115.38	—	3.04
4	Irredeemables	122.99	+0.45	122.46	—	1.62
5	All Stocks	112.54	+0.35	112.15	—	3.11
6	Debentures & Loans	87.91	+0.09	87.83	—	3.51
7	Preference	64.78	+0.09	64.72	—	2.52

	AVERAGE GROSS REDEMPTION YIELDS		Thurs April 1	Wed Mar 31	Year ago (approx.)
	British Government				
1	Low	5 years	11.66	11.69	12.39
2	Coupons	15 years	12.68	12.73	11.96
3		25 years	12.53	12.59	12.03
4	Medium	5 years	13.79	13.90	13.01
5	Coupons	15 years	13.67	13.73	13.43
6		25 years	13.21	13.27	13.12
7	High	5 years	13.78	13.87	13.01
8	Coupons	15 years	13.84	13.98	13.63
9		25 years	13.27	13.32	13.25
10	Irredeemables †		12.16	12.21	11.43
11	Debs & Loans	5 years	14.70	14.72	14.15
12		15 years	14.62	14.64	14.29
13		25 years	14.58	14.60	14.29
14	Preference †		15.18	15.19	14.36

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.
● Corrected figures for March 31.

FT UNIT TRUST INFORMATION SERVICE

INSURANCE BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	225.7	237.6	.....	—
Equity Fund	51.3	54.0	+0.8	—
Property Acc.	263.6	277.5	.....	—
Equity Acc.	49.0	51.6	+0.7	—
Selective Fund	147.1	154.9	+1.3	—
Money Fund	163.8	172.5	.....	—
Convertible Fund	175.8	185.1	.....	—
Prop. Fd. Ser. 4	208.2	219.1	.....	—
Equity Ser. 4	54.8	57.7	+0.7	—
Man. Ser. 4	197.2	207.6	+1.6	—
Money Ser. 4	148.7	156.6	.....	—
Conv. Ser. 4	148.8	156.7	.....	—
Fixed Int. Fd. Ser. 4	115.7	121.8	+0.9	—
American Ser. 4	108.0	113.7	-0.9	—
High Inc. Ser. 4	116.7	122.9	+0.9	—
Pension Property	312.8	329.3	.....	—
Pension Equity	279.4	294.5	+4.3	—
Pension Selective	147.8	155.6	+1.2	—
Pension Managed	288.8	304.1	+2.5	—
Pension Security	216.2	227.6	.....	—
Pension Fixed Int.	113.2	117.2	+1.1	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	318.0	334.7	+2.9	—
Fixed Int. Acc.	193.0	203.1	+0.5	—
Gtd. Money Fd. Ac.	153.7	161.8	.....	—
Intl. Man. Fd. Acm.	142.3	149.7	+0.4	—
Intl. Fxd. Int. Fd.	105.9	111.5	.....	—
Prop. Fd. Acc.	158.0	166.3	.....	—
M'ple Inv. Acc.	247.3	260.3	+1.5	—
Equity Pen.Fd.Acc.	436.4	459.3	+4.7	—
Fixed I.Pen.Acc.	307.9	324.1	+1.3	—
G'td.Mon.Pen.Acc.	210.7	221.8	+0.1	—
Intl.Mn.PnFdAcc.	163.9	172.5	+0.5	—
Prop.Pen.Acc.	207.4	218.7	+0.1	—
M'ple Inv.Pen.Acc.	357.6	376.3	+2.5	—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	192.2	202.5	.....	—
Money Fd.	141.2	148.7	.....	—
Equity Fd.	149.0	157.0	.....	—

Crown Life
Crown Life Hse., Woking GU21 1XW 04862 5033.

Dist. Fd. Incm.	114.5	120.5	+0.2	10.40
Mang'd Fd. Acc.	153.2	161.2	-0.1	—
Mang'd Fd. Init.	135.9	143.0	-0.4	—
Mang'd. Fd. Incm.	127.5	134.2	-0.1	8.25
Property Fd. Acc.	130.2	137.0	-0.1	—
Property Fd. Init.	115.8	121.8	-0.4	—
Property Fd. Incm.	104.1	109.5	.....	7.10
Fixed Int. Fd. Acc.	134.9	141.9	-0.1	—
Fixed Int. Fd. Incm.	103.3	108.7	.....	13.05
Equity Fd. Acc.	153.4	161.4	+0.4	—
Equity Fd. Init.	136.8	143.9	+0.1	—
Equity Fd. Incm.	133.2	140.2	+0.4	5.25
Inv. Tst. Fd. Acc.	158.4	166.7	-0.4	—
Inv. Tst. Fd. Init.	140.9	148.3	-0.7	—
Inv. Tst. Fd. Incm.	137.1	144.3	-0.3	2.55
Money Fd. Acc.	129.4	136.2	.....	—
Money Fd. Incm.	96.7	101.7	-0.1	15.00
Inter'l. Fd. Acc.	129.3	136.1	.....	—
Inter'l. Fd. Incm.	115.5	121.5	.....	4.30
High Income Acc.	122.9	129.3	+0.3	—
High Income Inc.	106.9	112.5	+0.2	11.15
PE Coronet Fd.	129.5	136.3	.....	—
Carr Sebag Inv. Fd.	131.6	138.5	.....	—
Brewin Equity Fd.	154.6	162.7	.....	—
Strategic Inv. Fd.	97.8	102.9	.....	—
Beaufort Man. Fd.	94.5	99.4	.....	—
St. George Mangd. Fd.	108.2	113.8	.....	—
Lincs & Gen.Fd.	116.9	123.0	.....	—
Sage Fd.	83.9	88.3	.....	—
Heritage Fd.	95.4	100.4	.....	—
DBS Managed	102.3	107.6	.....	—
Crown. Brit. Inv. A	212.1		.....	—
Pens. Mixed. Fd.	144.5	149.7	.....	—
Pens. Mang'd. Acc.	107.9	113.5	.....	—
Pens. Mang'd. Init.	105.1	110.6	.....	—
Pens. Equity Acc.	97.8	102.9	.....	—
Pens. Equity Init.	95.2	100.2	.....	—
Pens. Fxd. Int. Acc.	107.4	113.0	.....	—
Pens. Fxd. Int. Init.	104.6	110.1	.....	—
Pens. Money Acc.	105.9	111.4	.....	—
Pens. Money Init.	103.2	108.6	.....	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop. Mar 2	103.5	113.8	.....	—
Managed Pens Mar 10	111.91	117.80	.....	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	75.7	78.5	-0.1	6.07

OFFSHORE & OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99⅛	96⅝	Treasury 8¼pc '82	99⅛	+1/16	8.32	11.66
98⅜	95⅝	Exch. 9¾pc 1982	98⅜	+1/16	9.40	12.77
97⅛	94⅝	Exch. 8¼pc 1983	97½	+⅛	9.01	12.72
94	91	Exch. 3pc 1983	92⅝	......	3.24	11.93
99¼	95¾	Treasury 12pc 1983‡‡	99¼	+⅛	12.09	12.85
97	92⅞	Treasury 9½pc '83	97	+¼	9.54	12.01
100⅝	96⅞	Exch. 13½pc '83	100¼	+⅛	13.47	13.27
96⅛	91⅞	Exch. 10pc 1983	96	+¼	10.42	12.64
91½	87⅞	Funding 5½pc '82-84‡‡	91½	+¼	6.01	10.82
97⅞	91⅞	Exch. 11¼pc 1984	97	+¼	11.60	13.06
101⅝	96¾	Exchequer 14pc. 1984	101½	+¼	13.81	13.22
88⅜	81⅛	Exch. 3pc 1984	87	......	3.45	9.64
97⅞	91½	Treasury 12pc 1984	97⅝	+¼	12.29	13.12
104	96¾	Treasury 15pc 1985	103½	+⅜	14.49	13.47
97¼	89½	Exch. 12pc Cnv. '85	97¼	+⅜	12.34	13.14
80½	73½	Treasury 3pc 1985	80¼	–¼	3.74	10.56
94⅞	87½	Treasury 11½pc 1985	94¾	+⅜	12.14	13.51
96⅛	88⅝	Exch. 12¼pc 1985	96⅜	+⅜	12.71	13.52
94⅞	86⅛	Exch. 11¾pc '86	94¾	+⅜	12.40	13.50
75	69	Treasury 3pc 1986	75	+¼	4.06	10.63
94⅞	86¾	Treasury 12pc '86	94¾	+⅜	12.66	13.66
89	80⅝	Treasury 8½pc '84-86‡‡	89	......	9.55	11.85
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.76
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.69
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.81

Five to Fifteen Years

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.78
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.20
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.74
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.74
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.44
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.99
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.33
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.91
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.98
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.93
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.97
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.33
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.82
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.96
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.66
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.95
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.05
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.92
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.45
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.04
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.95
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.02

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
96¾	89¼	Birm'ham 12½pc 1985	95¼	......	13.05	14.36
99¼	87	Burnley 13pc 1987	99¼	......	13.68	14.38
89¾	81¾	Cardiff 11pc 1986	89¾	......	12.26	14.11
99 11/16	98⅝	G.L.C. 12½pc '82	99 11/16	......	12.54	14.30
98¼	94¾	Do. 12½pc 1983	98¼	......	12.72	13.96
97⅞	94¾	Glasgow 9¼pc '80-82	97⅞	......	9.50	13.76
76½	67½	Herts 6½pc 1985-87	76xd	......	9.81	13.46
98	85	Leeds 13½pc 2006	94¼xd	......	14.31	14.33
93	87½	Liverpool 9½pc '80-84	92¾	......	10.51	13.78
24¼	21½	D. 3½pc Irred.	24xd	......	14.34	—
99½	95½	Lon. Corp. 13¼pc '83	99	......	13.38	13.93
90	82¾	Do. 9½pc '84-85	89¼	......	10.56	13.16
85¼	78¼	LCC 5½pc '82-84	85	......	6.47	13.27
72¾	64¼	Do. 5½pc '85-87	72¼	......	7.73	13.37
66½	56	Do 6¾pc '88-90	66¼	......	10.42	14.08
22¼	19½	Do. 3pc '20 Aft.	21¼	......	14.53	—
96½	90¼	Sunderland 12¼pc 1984	96¼	......	12.72	13.90

COMMONWEALTH AND AFRICAN LOANS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
91⅛	85¼	Aust. 6pc 1981-83	91⅛	......	6.73	13.42
65½	57	N.Z. 7¼pc 1988-92	65½	......	11.37	14.01
83½	74¾	Do. 7½pc '83-86	83½	......	9.22	13.42
150	136	S. Rhod. 2½pc Non-Ass	150	......	—	—
66	58	Do. 3½pc 80-85 Assd	64	......	5.44	17.60
41	32	Do. 4½pc 87-92 Assrd.	39xd	–1	11.54	17.90
372	318	Zimbabwe Ann (£100pd)	335xd	......	—	21.94

LOANS

Public Board and Ind.

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
66	57¼	Agric. Mt. 5pc '59-89	62	......	8.22	13.69
273	24¾	Met. Wtr. 3pc 'B'	28½xd	......	10.61	12.94
108	103	U.S.M.C. 9pc 1982	108	......	8.58	—
99½	94	Do. without Warnts.	99½	......	9.30	—

LOANS—Continued

Financial

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100	95½	FFI 14pc '83	99½	......	14.07	14.30
97	94	FFI(UK Fn)5½pcDb. '80-2	96½xd	......	5.70	13.70
86	80	Do. 6¼pcDb. '81-84	86	......	7.49	14.04
92½	82½	Do 10½pc Uns.Ln. '86	92	......	11.72	14.10
90	78	Do. 11pc Uns.Ln. '88	89½	......	12.65	13.80
91	78	Do. 11¾pc Uns.Ln. '90	91	......	13.32	14.30
90	82	Do. 12½pc Un. Ln. 1992	90xd	+1	14.05	14.70
64½	54	Do. 7¼pcADeb. '89-92	63½	......	11.85	14.49
59½	53	Do. 7¼pcADeb. '91-94	59xd	......	12.19	15.20
70	62	Do. 9pc 'A' '91-94	69½xd	......	13.07	14.46
67½	57 7/16	Do. 8⅞pcLn. '92-97	67xd	......	13.53	14.58

Building Societies

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100½	98⅛	Nat'wide 14¼pc 11.8.82	100⅛	......	14.39	14.22
100½	98¼	Do. 14¾pc 25.8.82	100⅛	–⅛	14.47	14.32
101	99	Do. 15¼pc 29.9.82	100⅝	–⅛	15.24	14.49
101⅞	99¼	Do. 16¼pc 27.10.82	101⅜xd	......	16.15	13.71
100⅞	99½	Do. 15¾pc 24.11.82	100⅝	+⅛	14.45	14.24
101	99¼	Do. 15¾pc 13.12.82	100½	......	14.48	14.48
101½	99¾	Do 16¼pc 17.1.83	101½	–⅛	15.46	14.20
101⅛	100	Do. 15⅝pc 7.2.83	101	......	15.09	14.36

FOREIGN BONDS & RAILS

1982 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
85	65	Antofagasta Rly	85	......	10	f12.82
67	55	Do. 5pc Pref.	67	......	5	f7.66
98	98	Chilean Mixed	98	......	3	f3.10
16	15	Chinese 4½pc 1898	16	......	—	—
13	11	Do. 5pc 1912	11½	......	—	—
12	9	Do. 5pc 1913	9	......	—	—
10½	8½	Do. 5pc '25 Boxer	8½	......	—	—
44	42	Greek 7pc Ass.	42	......	3½	f8.41
42	40	Do. 6pc 28 Stb. Ass.	40	......	3	f7.50
35	35	Do 4pc Mixed Ass.	35	......	2	f5.77
35	30	Hung. '24 Ass.	33	......	2¼	f9.02
102¾	87½	Hydro Quebec 15pc Ln 2011	101½	......	15	15.54
63	58	Iceland 6½pc '83-88	63	......	6½	16.20
93	80	Do. 14½pc Ln. 2016	92	......	14½	16.17
94¾	87¾	Ireland 7½pc '81-83	94¾	......	7½	13.58
72	62½	Do. 9¾pc '91-96	72xd	......	9¾	14.56
250	235	Japan 4pc '10 Ass	250	......	—	—
77	67	Do. 6pc '83-88	68xd	......	6	13.13
161	161	Peru Ass. 2007	161	......	5.22	17.52
93¼	82	Pet. Mx 14½pc '06	83½xd	+½	14½	17.44
$79	$75	Turin 9pc 1991	$75	......	9	f12.00
DM90	DM87	Turin 6½pc 1984	DM87	......	6½	11.60

AMERICANS

1982 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
16⅞	13½	Abbott Labs.‖	16¼	–¼	84c	—	2.9
14⅛	11¼	Alcoa 1$	13¼	–¼	$1.80	—	7.2
25⅛	13¼	Amax $1	14⅛	–⅛	$2.40	—	9.4
15⅝	10¾	Amdahl	11	......	40c	—	2.0
27	21⅛	Amer. Express $0.60	26⅜	+¼	$2.20	—	4.6
13⅝	10¼	Amer. Medical Inl. $1	11¼	......	52c	—	2.4
22⅞	17⅛	Amer. Nat. Res. $1	17¾	–¼	$3.00	—	9.3
32⅛	28	American T. & T. Co.	31½	–⅜	$5.40	—	9.0
10½	947p	Bank America Corpn.	10¼	+⅛	$1.52	—	8.2
19¼	15⅞	Bankers N.Y. $10	17⅝xd	–⅛	$2.05	—	6.5
30⅝	27½	Bendix Corp. $5	29¼	......	$3.32	—	6.2
12½	10¾	Beth Steel $8	12⅛	–⅛	$1.60	—	7.3

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
185	137	Jardine M. $HK5	148	+2	†Q88c	2.0	5.8	8.7
202	187	Johnson Clnrs.	199xd	+10	7.7	♦	5.5	♦
295	250	Johnson Mthy. £1	255	−2	9.5	2.3	5.3	(9.4)
80	64	Jourdan (T.) 10p.	72	......	5.25	♦	10.4	♦
47	40	Kalamazoo 10p	46	......	2.5	0.9	7.8	21.3
168	135	Kelsey Inds.	168	......	8.0	2.1	6.8	9.6
152	143	Kennedy Sm. 10p	143	......	†4.38	4.1	4.4	7.6
310	255	Kershaw (A.) 5p	270	......	21.75	0.5	11.5	(44.3)
51	41	Kleen-E-Ze Hldgs.	47	......	5.5	0.7	16.7	(13.7)
68	57	L.C.P. Hlds	58	−1	4.3	0.8	10.6	(17.7)
48½	39½	L.R.C. Int. 10p.	48½	+½	2.5	1.6	7.4	11.0
46	40	Lawtex	40	......	‡1.5	—	‡	—
198	153	Lead Inds. 50p.	178	−2	9.66	1.4	7.8	12.0
325	277	Lep Group 10p.	325	......	16.5	2.1	7.3	7.6
13	12	Lesney Prods. 5p.	13	+1	—	—	—	—
37	35	Lilleshall 10p	36	......	3.5	—	13.9	—
50	39	Lon. & Liv. 10p	45	+1	†1.7	3.3	5.4	6.7
102	92	London & Midl'd	96	......	7.75	1.1	11.5	(10.4)
50½	36	Lon. & Nthn. Grp.	50½	+½	3.75	2.5	10.6	4.3
31	23	♦Lon. Priv. Health	30	−1	—	—	—	—
9¼	6	Long Hmbly. 10p.	6½	......	B—	—	—	—
46	36	Longton Inds.	43	......	1.0	—	3.3	—
40	33	Lonsdale Univrsl.	37	−1	1.0	0.9	3.9	(45.2)
195	118	Low & Bonar 50p	118	−7	7.0	♦	8.6	♦
33½	27	M.Y. Dart. 10p.	29	......	2.9	1.8	14.3	(4.7)
164	105	M'c'rthy Ph. 20p	164	......	7.0	2.8	6.1	7.6
76	70	Macfarlane Gp.	76	......	3.7	1.9	7.0	9.4
33	28	Maclellan 20p	33	......	1.43	1.7	6.2	(10.7)
86	67	Macpherson (D.)	83	......	4.2	1.5	7.2	12.1
62	53	Magnolia Group	61	−1	2.3	♦	5.5	♦
108	95	Man. Ship Can. £1	95	......	—	—	—	—
49	42	Marley	43	+1	2.25	1.5	7.5	(11.4)
36	29	Marling Ind. 10p	35½	+½	†0.94	3.6	3.8	(9.9)
48	33½	Marshall L'xy. 'A'	47½	+2	2.78	3.6	8.4	4.0
88	74	Marshall's Univ	88	......	0.1	—	0.2	—
37	28	Martin-Black	31	......	—	—	—	—
£134	£103	Mathesons 7¾pc.	£105	......	Q7¾%	2.3	†7.5	—
188	170	Maynards	178xd	......	9.38	2.7	7.5	(5.4)
190	146	Metal Box £1	150	−2	†10.71	1.0	10.2	(13.1)
130	109	Metal Closures	127xd	......	5.7	♦	6.4	♦
21	17½	Metamec Jentique	17½	−1	‡1.3	0.1	‡	—
15	11	Mettoy	11	......	0.1	—	1.3	—
11	8	Do. Defd.	8	......	—	—	—	—
25	17	Moben Grp. 10p	23	......	—	—	—	5.9
£132	£108	M'santo 5pc 82-6	£113	−2	Q5%	—	†4.5	—
127	117	Morgan Crucible	127	+2	7.5	1.6	8.4	9.2
56	44	Moss (Robt.) 10p	51	......	†1.6	b2.4	4.5	(11.2)
50	42	Nash (J. F.) Secs.	43	......	4.0	2.6	13.3	3.3
£41	£35½	N.C.R. 4% 93/98	£41	......	Q4%	♦	†10.2	—
36	26	Neil&Sp'ncer10p	27	......	‡2.1	—	‡	—
34	23	New Equip 10p.	34	......	1.05	♦	4.4	♦
37	30	Nolton	35	......	‡0.6	0.9	‡	(22.1)
111½	87½	Norcros	102	......	5.52	2.2	7.7	6.9
51	33	Nu-Swift 5p	36½	......	2.14	♦	6.0	♦
125	117	Oakwood Grp.	123	......	d6.5	2.4	7.6	7.7
320	285	Office & Elect.	320	+5	7.0	3.5	3.1	12.3
15	11	Ovenstone 12½c.	13	......	Q3c	2.3	13.2	3.3
£71¼	£62½	Ozalid Fin. Cv.	£71½	+½	Q9%	—	†13.2	—
128	115	Parker Knoll 'A'	128	......	7.5	3.2	8.4	5.3

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

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Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

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SHIPPING

SHOES AND LEATHERS

SOUTH AFRICANS

TEXTILES

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TRUSTS, FINANCE, LAND

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OIL AND GAS—Continued

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FINANCIAL TIMES

Friday April 2 1982

Brazil in $17bn deal with multinationals

BY ANDREW WHITLEY.

BRAZIL is attempting to achieve a planned *increase in* exports—the Government's chief economic priority—through a $17bn ($9.5bn) package of minimal export commitment agreements with 22 leading companies, including Ford.

For the companies participating in the scheme—most of which are major manufacturers with foreign participation—the benefits are broadly two-fold: their domestic tax bill is reduced by a percentage, provided exports at least match the tax loss, and Brazil's tight import controls are relaxed to *allow duty-free access of specified items unavailable in the country.*

Heading the list of agreements, reached between the Government and each of the companies concerned, are the multinational vehicle manufacturers established in Brazil: Ford, Volkswagen, General *Motors, Fiat and Mercedes Benz.*

Ford has undertaken to export $3bn of vehicles and vehicle components, as well as electrical goods from its Philco subsidiary, between 1983 and 1989.

VW has committed itself to selling abroad vehicles worth $2.88bn. Fiat $1.88bn. and GM $1.1bn. Terms for the agreements vary between three and ten years.

However, the Brazilian Government may have set itself on a collision course with the General Agreement on Tariffs and Trade (Gatt) in Geneva and the major industrialised countries. This is because of the weight of the direct and indirect subsidies involved in this latest, and biggest, round of undertakings under its *long-running Befiex export* promotion scheme.

Criticism from abroad is likely to centre in particular on the retention in these agreements of a tax discount scheme that Brazil had said it would phase out by the end of the year.

The package was approved by President Joao Figueiredo on Tuesday, the last day on which the 15 per cent tax discount level remained in force.

The vehicle industry—as befits its role as the country's largest exporter of manufactured products, notably engines—*is responsible for nearly two-thirds* of the total value of the Befiex package.

The mix of financial and import tariff benefits obtained under the scheme are regarded by the multinational vehicle makers in Brazil as crucial to *their plan to make the country* a central part of their "world *car" manufacturing operations.*

Most of the export agreements announced yesterday replace existing programmes *expiring at different times later* this year.

In general, the benefits obtained this time are not as good as in the original agreement, but the export commitments by the companies are larger in nominal terms.

Ford, the pioneer of the scheme, has seen its agreements period reduced from 10 to seven years, and its domestic tax benefits cut from 26 per cent to 15 per cent. But it has increased its exports undertaking from $1.8bn to $3bn.

An important feature of the Befiex package, the terms and conditions of duty-free imports, remains unaltered.

Aid for IBM in fight with EEC

By Paul Betts in New York

THE U.S. Government, which *dropped its 13-year-long* anti-trust suit against IBM in January, is intervening in support of the computer manufacturer in a similar anti-trust case brought against the company by the European Economic Commission.

The Government is thought to have sent a diplomatic note to the Commission expressing its concern about the case, while Mr William Baxter, head of the U.S. Justice Department's anti-trust division, has been in contact with EEC officials since November on the suit.

The U.S. Administration is concerned that the outcome of the EEC case could threaten the ability of IBM and other U.S. computer companies to compete in international markets. IBM's revenues from data processing in Europe last year totalled nearly U.S.$10bn (£5.6bn).

The commission filed its complaint in December, 1980, after a seven-year investigation of IBM's business practices in EEC countries. It charges IBM with misusing its dominant position in the computer market to undermine competition.

The suit alleges among other things that IBM did not make sufficient disclosures about the products it planned to introduce on the market until they were already on the European market. This, according to the EEC argument, inhibited competing companies from manufacturing components compatible with IBM products.

This issue is at the centre of the U.S. Administration's worries. The Government and IBM contend that the proposal to require in Mr Baxter's words, "continuous disclosure of new IBM technology" to competitors before shipment if IBM is found guilty would have a severe impact on IBM's international marketing position.

Mr Baxter also warned that this proposal would not only give an advantage to IBM's U.S. and foreign competitors but also undermine the international competitiveness of U.S. high technology companies in general.

Mr Sherman Unger, general counsel of the U.S. Commerce Department, who attended a Common Market hearing on the IBM case in February as an observer, has also warned that the proposed EEC sanctions against IBM "could change the way of international trade of technology."

But the adiministration and the Justice Department are emphasising they are not, as they did last January, asking the Commission to drop its case *against* IBM. They are asking the EEC. should IBM be found guilty, to consider applying different sanctions

THE LEX COLUMN

Going gets better for Ladbroke

The squeeze on discretionary spending was at its worst in the second half of 1981. So the Ladbroke Group's performance looks resilient, with a small improvement in the second six months pushing the pre-tax outcome for the year just ahead to £32.8m, compared with £32.6m. Stripping out the contribution from discontinued businesses—essentially casinos—and the benefits of the rights issue cash, pre-tax profits are virtually unchanged.

The betting industry, however, *has been under pressure.* After a strong first half. the size of individual bets fell in the latter part of the year, while *the punters also enjoyed a run* of good luck. To cap it all, bad weather bought about a virtual shut-down in December. Nevertheless, Ladbroke's betting profits for the year have come down only £0.6m to £14.2m. With spending now moving ahead again, and after the acquisition of a further 89 shops, profits in this division *should move ahead strongly.*

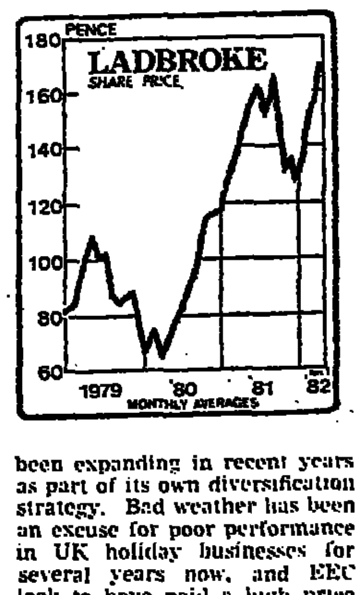
Amusement machine hire has been the main element keeping the hotel and holiday division moving ahead. However, *this year should see the* benefits of the £36.3m spending in this area in 1981, with two large new hotels coming into *service. Property has also* been moving ahead, and sharp increases are likely here in coming years, as the invest*ments of the last couple of* years begin to show results.

So Ladbroke's profits may move up to £38m or so this year, and above £40m if consumer spending remains healthier. At any rate, earnings per share will be moving ahead again. After the hectic spending of the last couple of years, acquisitions and capital expenditure is likely to halve to about £30m. The shares, strong in recent weeks, fell 2p yesterday to 167p, where the yield is 6½ per cent.

Guinness/ECC

The new broom at Guinness is managing to sweep away some of the most disappointing past diversifications with remarkably *little pain.* The latest disposal, announced yesterday, of the UK holiday interests for £13.2m has been achieved at a book profit *of £1.2m. While Guinness'* leisure interests as a whole made a loss of £1.6m last year, the company estimates that the *particular businesses sold made* a trading profit of £1.2m. For the buyer, English China Clay, the deal roughly doubles its holiday operation, which it *has* been expanding in recent years as part of its own diversification strategy. Bad weather has been an excuse for poor performance in UK holiday businesses for several years now, and EEC look to have paid a high price to obtain a larger share of a stagnant market.

Index rose 1.6 to 570.1



Grattan

After two years of dramatic shrinkage, Grattan looks poised to start growing again. The cost discipline of the past two years has transformed the balance sheet, and the company must now confirm its traditional strength in merchandising.

Net trading margins have been widened by over a percentage point in the year to January and the steep fall in interest payments has more than offset higher reorganisation costs. So pre-tax profits are 68 per cent higher at £5.2m, despite a drop of perhaps 15 per cent in sales volume.

After the working capital shake-out of 1980, Grattan concentrated last year on eliminating fixed costs and improving the quality of its debtors. The number of agents has been reduced by about 8 per cent and the bad debt charge is down by a third on a slightly higher level of net working capital. Some cost benefits are still to come from redundancies, which may cost about £1½m in the current year, and from the new computer installation. But the challenge now is to restore a market share which currently stands below 10 per cent.

In fashion goods, its competitive edge has already been sharpened by direct sourcing *from Hong Kong. But consumer* spending is very flat, and Grattan is still some distance behind Freemans, for example, in telephone ordering techniques and warehousing. Yet the achievements of the past two years augur well and there should be room to push up the dividend this year. In the meantime, the yield is 5.8 per cent on last night's price of 104p.

Profit and loss

Official figures show a further rise in gross company trading profits, net of stock appreciation, in the fourth quarter of last year—even if much of it comes from the North Sea—and brokers Phillips and Drew are now confident of their estimate of a 30 per cent second half rise in industrial profits. But these impressive aggregated data conceal a number of problem areas.

As the results season progresses it is becoming clear *that in most traditional manu*facturing sectors higher profits are the result of lower costs rather than higher volume. And the assumption that those companies which got through the year to mid-1981 with their dividends intact were safe has taken some hard knocks.

Some important medium-sized companies — Low & Bonar and Cape Industries come to mind — have given the equity market nasty shocks this week with dividend cuts and very poor UK profits. The shares of Turner & Newall, which operates in some of the same markets as Cape, have fallen by a third since the company passed its final dividend two weeks ago.

Far-sighted finance directors *with stretched balance sheets* have been worrying for some time about financing increased working capital needs when an *upturn in demand arrived.* But there is not much sign of that: the companies getting into trouble now have experienced *a further contraction of demand* in areas where, like Metal Box, they took an over-optimistic view of the appropriate level of production capacity.

While there may be more shocks to come, the market is bracing itself for bad news from other companies that are known to be in difficulties. Blackwood Hodge's share price has been easing ahead of the figures, while Aurora Holdings, due to announce results the Thursday before Easter, passed two more sets of preference dividends yesterday. Treating Aurora's preference shares, nearly all redeemable, as debt, the debt/*equity ratio could be more than* two to one, and some sort of major cash-raising exercise such as selling the overseas assets looks urgently necessary.

BL peace formula hits snag

By Arthur Smith, Midlands Correspondent

BL CARS has failed to get full trade union support for its much-heralded labour relations reform package. Opposition has tended to focus on the issue of the closed shop and the use of contract labour.

To the embarrassment of both union leaders and management, Mr Tebbit's Employment Bill, now before Parliament, has evidently exerted an influence on negotiations over a new procedure agreement.

In a joint statement, union and management have announced yesterday that after three months of talks, negotiations have been concluded. The draft procedure agreement will now be put to shop floor representatives of the 11 unions which represent BL's 53,000 manual workers.

The trade union side of the negotiating committee voted not to recommend the package. One senior negotiator said: "This was supposed to be a charter for peace. The differences have been papered over but will inevitably erupt in the future."

The unions, anxious to maintain the strength of the closed shop which exists by custom and practice within BL Cars, had been pressing for union membership to be a condition of employment. The company stood firm but defused the issue by a minor change of wording.

More controversial was the company's refusal not to write into the agreement a requirement that employees of outside contractors should belong to a union.

The use of outside labour has increased with special capital investment projects such as the modernisation of the Longbridge plant in Birmingham. Shop stewards fear the company might be tempted to use more non-union labour.

Editorial Comment, Page 22

Ford to invest £44m in Dagenham foundry rescue

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD OF BRITAIN will spend £44m to modernise its Dagenham foundry if employees accept proposals that will lead to a 40 per cent cut inthe 3,300-strong workforce.

Ford gave employees at the foundry details of its scaling-down proposals yesterday. It pointed out that between 1977 and 1981, the plant made "losses" of £43m and the deficit had accelerated to reach £25m last year. Ford insisted this could not continue and the only alternative to the scaling-down scheme would be total closure.

Further "losses" totalling £96m would mount up until the foundry could be brought back to viability in 1986.

The 1,400 workers left would have to accept some changes in working practices to give more flexibility between jobs.

Employees and management were warned in 1980 the foundry would probably have to close and since then have battled to improve its record. The indications are that proposed "package" will be accepted but might be arguements about some of the fine detail.

Ford measures the foundry's "losses" by comparing the cost in-house production of castings at Essex plant with the prices of independent suppliers.

They admit that the foundry had been allowed "to accumulate more complexity than it could live with. Too many castings were produced and in too many sizes. This will be simplified."

External factors, such as the fall in Britain's competitiveness with other European countries had also played a part in making the foundry uneconomic but Ford feels an improvement is on the way.

The foundry scheme, if accepted, would see the first 1,700 jobs being shed by the end of 1984. The company will ask for voluntary redundancies and early retirements and insists there will be no compulsory redundancies. A further 200 jobs would go by 1987 in the second phase of modernisation.

Ford is exploring the possibility that its capital expenditure programme might attract either EEC or UK government grants.

Price cuts provoke backlash

BY KENNETH GOODING

FORD and its dealers face a big backlash from angry customers who bought cars just before this week's announcement of major price cuts.

One dealer said yesterday: "The problem is that we all did some very aggressive marketing in March, and the customers simply do not believe that we dealers did not know a price cut was on the way. Some of them are very angry.

"The latest nasty phone call I've taken was from a customer who bought a Granada 2 litre GL estate. Even though he got a 15 per cent discount in March, he still considers he's £800 out of pocket compared with what he'd have had to pay had he waited a week."

The unusually aggressive tactics by Ford dealers arose because the company's first-quarter incentive campaign, involving a bonus of up to £400 for dealers on some models, came to an end in March. To count against agreed targets, and thus qualify for the bonus, vehicles had to be registered before the end of the month.

As a result, Ford captured a near-record 35 per cent of total new car sales in March, which means that dealers sold more than 56,000 cars.

Ford told its main distributors about the price cuts last Sunday. Retail dealers heard the details on Tuesday.

Faced with some irate customers and the need to write down the value of used car stocks, dealers are reserved about Ford's move and the publicity accompanying it.

Some believe the publicity created confusion about the scale of the cuts. This was borne out yesterday by Glass's Guide, on which the trade relies heavily in judging used-car values.

In a circular to its customers, Glass's said: "Careful analysis of the new Ford price list indicates that the initial reports of the price cuts have tended to be overstated, notably for the more popular sellers."

Glass's points out that the reductions are as little as 0.6 per cent on the L and GL Fiestas—or £28—and only 1.8 per cent, or £85, on the basic and L versions of the Escort.

The publication says its initial soundings in the used car market suggest that the current conditions are "fluid" but are expected to settle down during April.

Continued from Page 1

MacGregor

sulting fees fro mthe company.

Mr MacGregor, who is 69, receives a salary of £48,500 from BSC. He has waived two increases paid to other heads of nationalised industries which would have brought his pay to £56,700 a year.

The New York banking firm of Lazard Freres, of which he was a senior partner before joining BSC, will receive up to £1.8m in compensation for the loss of his services.

Moscow cool

Continued from Page 1

programme remained "absolutely vital."

The only way to get interest rates down was to persevere with his economic programme in the hope of convincing the money markets. The Administration was serious in its bid to reduce government spending and inflation.

He expressed support for the "concept" of a constitutional amendment making balanced budgets obligatory, of the kind that is under Congressional scrutiny. But he insisted that any such amendment must also include a limitation on taxes.

Mr Reagan rejected suggestions that he should take short-term emergency action to bring down unemployment, which is close to 9 per cent, on the grounds that such action in the past had flooded the money *market and caused a surge in* inflation.

He showed considerable concern, however, about the "unfair perception" that he does not care about the plight of the poor and the underprivileged, going to great lengths to stress that the Administration was not cutting funds for the really needy.

He claimed that money spent providing food stamps had increased by 16,000 per cent in the past 15 years and that 57 per cent of shops recently investigated were selling illegal items for the stamps.

On El Salvador, Mr Reagan told emotive tales about how people had voted in the face of death threats and ricocheting bullets and claimed that those in the voting lines had called out their gratitude to the U.S. when they saw the approach of the Congressional delegation monitoring the elections.

Manual workers feel the pinch

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE *average manual* wage-earner needed to work just over five hours a week last year to earn enough to pay his council house rent. This was about a third longer than he would have needed to work to pay the equivalent rent in 1980, according to Treasury calculations.

The figures throw into sharp focus how last year's 2 per cent decline in real take-home pay affected the average working-class family.

In a written parliamentary answer Mr Leon Brittan, Chief Secretary to the Treasury, declared the time an average manual wage-earner with two children would need to work to earn enough after tax to buy a range of common commodities.

The working time needed has increased in almost all of the 16 examples. The only exceptions were for a loaf of bread and a quart of milk. Both would have "cost" 9½ minutes of working time last year just 8 seconds less than in 1980.

THE REAL COST OF LIVING

Time an average manual worker puts in to pay for:

	1980 hrs	1980 min	1981 hrs	1981 min
Average weekly rent of three-bedroomed council house	3	48	5	9
First month's repayment on average 25-year house mortgage	93	35	94	33
Loaf of bread		10		10
3 lb of beef sirloin	4	4	3	8
14 lb potatoes		21		30
Quart of milk		10		10
5 gallons of 4-star petrol	2	1	2	35
Postage on five first class letters		17		18
Pint of beer		16		17
Bottle of whisky	2	34	2	48
Weekly season ticket, Surbiton to London	2	28	2	56

Times take tax and National Insurance into account.

Source: Treasury.

The largest increase was in the time which would have to be worked to earn enough to pay the average weekly rent of a three-bedroom council house. This went up by 82 minutes to the equivalent of 5 hours 9 minutes' work.

If, on the other hand, he had an average new mortgage, the weekly repayment would have risen by the equivalent of only 14 minutes' work to 23 hours 38 minutes. Thus, although the average manual worker would be faced with a smaller increase in payments on an average new house, the burden of repayment would absorb just over half his weekly earnings.

It may be supposed from the examples that on a typical day last year the Treasury's Mr Average paid his council rent, bought 2 lb of fresh cod fillets and 14 lb of potatoes before driving to Surbiton station to renew his weekly season ticket to London.

On the way he filled up the car with 4 gallons of four-star petrol before buying a celebration bottle of whisky and sending a birthday telegram to his daughter. When he got home he had a *well-earned pint of beer.*

All this will have cost him the equivalent of about a quarter of his weekly take-home *pay, or his earnings for 13 hours* 40 minutes' work.

This is about 2½ hours more than he would have had to work for the same goods in 1980.

Weather

UK TODAY

RAIN will die out in C and E England. *Showers elsewhere.*

London, S, E, SE, SW, NW England, E Midlands, Wales
Rain or showers dying out. Sunny intervals developing. Max 12C (54F).

W Midlands, N, NE England
Mostly dry. Sunny intervals developing. Max 11C (52F).

Scotland, N Ireland
Showers, some wintry. Bright intervals. Max 10C (50F).

Outlook: Some rain or showers. Bright intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	L. Angt	C	18	64
Algiers	S	18	64	Luxmbg.	S	12	54
Amsdm.	S	12	54	Luxor	S	33	91
Athens	C	19	66	Madrid	S	17	63
Bahrain	C	20	68	Majorca	C	16	61
Barclna.	C	13	55	Malaga	F	16	61
Beirut	S	20	68	Malta		—	—
Belfast	C	8	46	M'chstr	R	6	43
Belgrd.	C	14	57	Melbne.		—	—
Berlin	S	13	55	Mx. Ct	S	31	88
Biarritz	F	14	57	Miami†	C	26	79
Bmghm.	R	5	41	Milan		—	—
Blackpl.	R	7	45	Montrl †	C	3	37
Bordx.	C	14	57	Moscow	Sn	4	39
Boulgn.	S	11	52	Munich	S	13	55
Bristol	C	5	41	Nairobi	C	19	66
Brussels	S	15	59	Naples	S	19	66
Budpst.	S	14	57	Nassau		—	—
Cairo	F	30	86	Nwcstl.	C	7	45
Cardiff	C	4	39	N York†	C	14	57
Cas'b'ca	R	16	61	Nice	C	15	59
Cape T	S	24	75	Nicosia	S	21	70
Chicg.†	R	17	63	Oporto	S	13	55
Cologne	S	14	57	Oslo	C	1	34
Cpnhgn.	S	10	50	Paris	C	11	52
Corfu	S	21	70	Perth	S	21	70
Denver†		—	—	Prague	S	12	54
Dublin	S	7	45	Rykjvk.	F	4	39
Dbrvnk.	F	17	63	Rhodes	S	18	64
Ednbgh.	C	7	45	Rio J'o†	C	30	86
Faro	S	17	63	Rome	S	20	68
Florence	S	19	66	Salzbrg.	S	16	61
Frankft.	S	13	55	S'cisco†	C	11	52
Funchal	S	18	64	S. Mritz.		—	—
Geneva	S	8	46	Singapr.		—	—
Gibrltr.	C	16	61	S'tiago†	S	24	75
Gl'sg'w	C	8	46	Stckhm.	S	12	54
G'rnsey	C	7	45	Strasbg	S	13	55
Helsinki	S	8	46	Sydney		—	—
H. Kong	C	21	70	Tangier	F	16	61
Innsbrk.	S	16	61	Tel Aviv	S	23	73
Invrnss.	C	8	46	Tenerife	F	16	61
I.o.Man	C	7	45	Tokyo	S	16	61
Istanbul	C	9	48	T'rnto†	F	3	37
Jersey	C	5	41	Tunis	F	18	64
Joburg		—	—	Valencia	F	18	64
L Pims.	S	20	68	Venice	S	17	63
Lisbon	C	13	55	Vienna	S	12	54
Locarno	S	15	59	Warsaw	S	11	52
London	S	10	50	Zurich	S	11	52

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow

† Noon GMT temperatures.